A Statement on the Nation’s Foster Care System

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As May is National Foster Care Month, there is no more appropriate time than the present to review the state of our nation’s foster care system and NCFA’s efforts to improve the lives of children in foster care. Designed as a temporary placement for children who cannot safely remain with their biological families, foster care provides a necessary and, at times, lifesaving intervention to children who have suffered substantiated incidents of abuse and neglect. Foster care cannot provide an adequate substitute for permanency, however. Thus, it is in the best interests of children that they be moved swiftly and safely through the system into whatever permanency option is most appropriate for their situation, whether that be reunification with their original families, adoption or guardianship. Recent legislative reforms and other efforts supported by NCFA may improve outcomes for children in foster care in coming years. Nevertheless, issues remain, and advocacy will continue to be NCFA’s priority.

The State of the Nation’s Foster Care System

The total number of children in foster care has slowly but steadily decreased from a peak of 567,000 in 1999 to 510,000 in 2006, the most recent year for which statistics are available. This decrease has coincided with an increase in the yearly number of children adopted out of foster care from approximately 41,000 in 1999 to over 50,000 in 2006. However, not all indicators have so improved. Whereas fewer than 19,000 youths aged out of the foster care system in 1999, a record 26,517 did so in 2006, having never experienced a loving, permanent family.1 As studies show that youths who age out of foster care fare far worse on a number of important life indicators relative to their peers, it is imperative that we reverse this increase.

Despite the increase in the number of children aging out of the system, there is reason for optimism. Some recent legislative reforms which NCFA has advocated for may improve outcomes for children in foster care in coming years. And there is still time for Congress to enact one important legislative reform – namely, extending certain improvements to the adoption tax credit – that would certainly be of benefit to children in foster care and the families wishing to adopt them.

NCFA’s Enacted Policy Recommendations

NCFA has made many recommendations in recent years to improve outcomes for children in foster care, many of which became law when the President signed the Fostering Connections to Success and Increasing Adoptions Act of 2008. Below is a list of reforms which NCFA has proposed or advocated for over the past several years and which were included in the act.

NCFA has advocated for a reauthorization of the Adoption Incentives Program, whereby the federal government allocates financial rewards to states that have increased the number of children

adopted from their foster care system, which was set to expire in 2007. The Fostering Connection to Success and Increasing Adoptions Act reauthorized this program through 2013, increased the awards to states for adopting older and special needs children out of foster care, and set a new base year against which the states’ future performances are to be measured.

NCFA has recommended that relative guardians be eligible to receive federal subsidies not to exceed comparable subsidies offered to adoptive parents, but only after reunification and adoption have been ruled out as possible permanency options. The Fostering Connections to Success and Increasing Adoptions Act established federal relative guardianship assistance payments not to exceed the foster care maintenance payment which the child would have received had he or she been placed in a foster home. Furthermore, the Fostering Connection to Success and Increasing Adoptions Act mandates that a child is only eligible to receive relative guardianship payments after reunification and adoption have been ruled out as permanency options.

NCFA has advocated for de-linking eligibility to receive federal adoption assistance payments from the child’s biological family’s income. This eligibility requirement was an arbitrary way to keep federal expenditures down which discriminated against abused and neglected children who did not come from extreme poverty. The Fostering Connections to Success and Increasing Adoptions Act gradually de-links federal adoption assistance payments eligibility from the biological family’s income for all children over the course of 10 years.

The Need to Extend the Adoption Tax Credit

On the other hand, NCFA has also advocated for at least one important legislative reform which would be of immense benefit to children in foster care that has not been made. Certain improvements to the adoption tax credit, which helps families offset the costs of adoption, are set to expire on December 31, 2010. Prior to these improvements, which were codified into law by the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), only adoptive parents who earned less than $75,000 per year were eligible to receive a $6,000 tax credit for each adopted child with special needs. The adoptive parents of children with special needs who earned between $75,000 to $115,000 were eligible for a reduced tax credit. The EGTRRA provisions increased the adoption tax credit to $10,000 per adopted child for adoptive parents earning up to $150,000 per child, and allowed parents earning $150,000 to $190,000 to claim a reduced tax credit. Furthermore, the EGTRRA provisions extended the adoption tax credit to all adoptive parents who met the income requirements, not only the adoptive parents of children with special needs. Finally, EGTRRA mandated that families adopting children from foster care did not have to document adoption expenses in order to receive the adoption tax credit, a stipulation that has significantly increased the number of adoptive parents claiming the tax credit.  

If these improvements are not extended, then beginning in 2011 a large number of adoptive parents will no longer be eligible to claim the adoption tax credit, those adoptive parents who remain eligible will see their tax credit cut drastically, and parents adopting children out of foster care will again be required to document their adoption expenses. Each of these three changes may have the effect of discouraging prospective adoptive parents from adopting children out of foster care. While the Fostering Connections to Success and Increasing

2. For a full discussion on the adoption tax credit and related legislation, see Zappala, M., Making Improvements to the Adoption Tax Credit Permanent for Children and Families, Adoption Advocate Vol. 8., November 2008. Available online at http://www.adoPTIONcouncil.org/resources/documents/AdoptionTaxCreditAdoptionAdvocate_000.pdf

Adoptions Act did contain an important provision that parents adopting children out of foster care must be informed of their eligibility for the adoption tax credit, it did not extend the improvements to the tax credit made under EGTRRA. The looming sunset of the EGTRRA provisions to the adoption tax credit remains an issue for policymakers to address.

NCFA’s Foster Care Awareness Efforts

As NCFA reported over a year ago, states typically allocate paltry amounts of federal money toward adoptive and foster parent recruitment and training efforts. While 25 percent of children in foster care are waiting to be adopted, states are spending, on average, a mere 1.2 percent to 1.3 percent of available federal dollars on these important services. Private agencies and child welfare organizations therefore have a responsibility to raise awareness about the need for adoptive and foster parents and to provide parent recruitment services to the best of their ability. NCFA has responded to this need by developing radio and television public service announcements featuring country music star and NCFA official spokesperson Rodney Atkins to educate listeners and viewers on the nation’s need for more adoptive and foster parents. To date, the radio public service announcement has been released to 1,250 country music radio stations and 125 Christian radio stations and been broadcast over 20,000 times. The television public service announcement will be sent out to 125 television stations nationwide.

Conclusion: Foster Care’s Problems Are Solvable

Foster care is and will remain an important intervention in the lives of hundreds of thousands of American children suffering from abuse and neglect. It is not permanency, however, and just as we have a responsibility to move children suffering from abuse or neglect out of harm’s way, so too do we have a responsibility to ensure that those children end up in the loving, stable environment that only a family can provide.