

Family Stability and Kinship Care Act (S. 1964/H.R. 3781)

November 2015

The Family Stability and Kinship Care Act (S. 1964, H.R. 3781) introduced in August by Senator Ron Wyden (D-OR) and in October by Representative Lloyd Doggett (D-TX), is aimed at reforming the federal financing of child welfare services and providing for new investments in prevention, intervention and post-permanency services and supports.

The Family Stability and Kinship Care Act enhances federal funding available under both Titles IV-E and B of the Social Security Act (SSA) to provide for prevention and family services to help keep children safe and supported at home with their parents or other family members, gives states and tribes the flexibility to adapt evidence-based family services to the specific needs of each family and ensures that states and tribes are held accountable for allocating services in ways that maximize safety, permanency and well-being for children, while minimizing lengthy foster care placements.

As it stands, our federal financing structure is designed to promote the least desirable outcome for our children in the child welfare system - a stay in foster care, with restrictions in the allowable use of IV-E funds resulting in the larger portion of federal dollars paying for out-of-home stays. In contrast, IV-E does not provide jurisdictions with stable funding to support programs other than foster care, subsidized guardianship and adoption support. Many agree that we need to make improvements to the federal financing of child welfare by creating more flexibility in the use of IV-E dollars.

States should be able to directly access IV-E funds for investments in a broad continuum of services for children and families, including prevention, early intervention, and post-permanency services. Doing so will ensure that states have the resources they need to adequately care for the countless children and families that walk through their agency doors each day.

Given current child welfare financing constraints, the Family Stability and Kinship Care Act is a “game changer,” offering a critically important new funding source to support states in their efforts to provide a broad array of effective services to vulnerable children and families. It does this by extending Title IV-E funding for time-limited family services for children identified as candidates for foster care or those who are in foster care, without regard for the Title IV-E income eligibility requirement.

The bill also increases funding for Title IV-B Part 2, which despite being a relatively small funding stream compared to the open-ended entitlement for foster care under Title IV-E, is nevertheless critical for the work of state social service agencies given that it may be used to provide services to children and families in need and helps keep families together. This is important given that in contrast to the bulk of federal child welfare funding, which is targeted at foster care, IV-B dollars can be used to support prevention efforts, such as reducing the likelihood of removal in the first place and promoting timely reunifications.

Specifically, the Family Stability and Kinship Care Act includes the following provisions:

- Creates a IV-E funding stream for time-limited (up to 12 months) reimbursement through which children and families at risk of entering foster care can access critical services (such as family skills training, family counseling, and concrete goods and services to stabilize a family in crisis). These funds will support state efforts to provide an array of preventive services to children and families, designed to keep families together when possible;
- Defines eligible population as children identified as candidates for foster care (at imminent risk of entry into foster care) or who are in foster care, as well as to these children’s family members;
- Delinks eligibility for time-limited reunification services from the Aid to Families with Dependent Children program, providing reimbursement for services without regard to the income of the child’s biological parents;

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- Following a three-year implementation phase, establishes national performance measures and outcomes-based reimbursement rates to target federal dollars to cost-effective services;
- Increases funding (by \$470 million per year) for community-based prevention and intervention services through the Promoting Safe and Stable Families Program in Title IV-B;
- Requires research and technical assistance to ensure appropriate service delivery and prioritization of evidence-based prevention and post-permanency interventions.

The Family Stability and Kinship Care Act will be incorporated into forthcoming legislation currently being drafted by the Senate Finance Committee. [Our letter of support for the bill can be found here.](#)