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## Subsidized Guardianship

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#### Definition of Subsidized Guardianship

Subsidized guardianship is the transfer of legal responsibility for a minor child from the state to a private caregiver or guardian, who is provided with a monthly subsidy for the care and support of the child. The transfer of legal responsibility removes the child from the child welfare system, allows a caregiver to make important decisions on the child's behalf, establishes a long-term caregiver for the child, and addresses their financial needs through ongoing subsidy payments.

Many states have begun using subsidized guardianship as a tool to expedite permanency for children who are in foster care, particularly for those for whom reunification with the birth parents or adoption are not options. To date, thirty-five states and the District of Columbia have established some kind of subsidized guardianship program: Alaska, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Utah, West Virginia, Wyoming, and Washington D.C. (Children's Defense Fund, 2004).

#### The Need for Subsidized Guardianship

The need for this permanency tool developed out of the convergence of increasing numbers of children in traditional and kinship foster care, and a nationwide effort to move children expeditiously out of state care into permanent homes. The past thirty years have seen substantial growth in the number of children entering the child welfare system. Estimates from the Adoption and Foster Care Analysis and Reporting System (AFCARS) indicate there were 523,000 children in foster care in the U.S. as of September 30, 2003, an increase of over 50% since the mid-1980s (Children's Bureau, 2005b; U.S. Department of Health and Human Services [DHHS], 1997). While the number of children in custodial care has decreased since 1999, the total figure continues to represent a significant segment of children lacking permanent homes. Federal foster care expenditures have also increased significantly, from \$800 million in 1988 to

over \$11 billion in 2002 (Children's Defense Fund, 2005; DHHS, 1997).

Growing concern that children were not exiting the system and did not have the secure relationships with nurturing caretakers necessary for their healthy development led to the recognition of the need to reform child welfare policy, and, in turn, to the passage of the Adoption and Safe Families Act (ASFA) of 1997, Public Law 105-89. Prior to ASFA, family and community problems and a lack of resources to address these issues resulted in children remaining in foster care for considerable lengths of time. Many children experienced multiple placements and developed few social supports or emotional connections (Charles & Nelson, 2000; North American Council of Adoptable Children [NACAC], 1997). ASFA significantly changed the goals for the delivery of child welfare services by taking steps to place children in permanent homes in a timely manner. Foster care is now viewed as a temporary support rather than a long-term solution for children whose families are experiencing stress and difficulty in parenting. In addition, efforts at family reunification are redefined as time-limited, highlighting the commitment to minimize the length of time children wait for permanent homes (Bess, Leos-Urbel, & Geen, 2001).

Under ASFA (1997), family reunification, adoption, legal guardianship, or other planned permanent living arrangements are recognized as appropriate permanency plans for children (Children's Defense Fund, 2004). Adoption is generally viewed as the preferred plan for those who cannot be reunified with their parents. However, this option may not be available to many children. For example, some adolescents are unlikely to be adopted, particularly if they have had a lengthy stay in the foster care system and have experienced multiple moves (NACAC, 1997). Furthermore, teens may have a strong desire to maintain a relationship with their family of origin, even if they have been placed outside the home for several years. Accordingly, adolescents sometimes resist adoption since it represents a permanent break from their parents (Children's Defense Fund, 2004; Mason & Gleeson, 1999; Schwartz, 1993).

Similarly, while many kinship foster parents may be open to adoption, others are uncomfortable with terminating parental rights, as it may conflict with family relationships (Riggs, 1996; Testa, 2004). In focus groups, relatives expressed that moving to termination disrupts family arrangements in ways that destabilize the family as a whole and thereby hurts the children (Cornerstone Consulting Group, 1999). Consequently, some relative caregivers may not be willing to adopt, even though they are committed to caring for the children (NACAC, 1997; Needell & Gilbert, 1997). This may be especially true for Native American and African American families. Many Native Americans, for example, consider adoption inconsistent with their cultural beliefs because it dissolves the parent-child relationship (McDaniel & Sosso, 1996; Schwartz, 1993). This reluctance to adopt is a particularly salient issue because the child welfare system has increasingly relied on kin or relatives to provide homes for children. The Children's Defense Fund (2004) estimates that as many as 200,000 children are living in relative foster care today.

Kinship foster parents may also be unwilling to take legal guardianship of the children in their care without financial support. Kin caregivers are primarily female relatives from economically marginal households. In order to provide care for the children, kin often require outside financial support (Gwadz as cited in Geballe, 2000). However, Temporary Assistance to Needy Families (TANF), the principle source of income support available to caregivers outside of the foster care system, can be problematic. TANF payments are substantially lower than foster care rates, and, in most states, cash assistance payments are at less than half of the federal poverty level (Geballe, 2000). The inclusion of work requirements under TANF also presents a challenge to grandparents caring for young children, as exemptions are not guaranteed under the current welfare system (Generations United, 2004). In addition, TANF grants are time-limited and some states impose a family cap on benefits, both of which are important considerations for kin deciding to care for their relatives' children (Generations United, 2004). Grandparents and other relatives can qualify to receive the TANF "child-only" grant; however, the amount of assistance provided is considerably lower than the entire family grant (Generations United, 2004).

While federal child welfare payments have historically been reserved for relatives through foster care and adoption arrangements, subsidized guardianship aims to provide similar financial support for relatives who become legal guardians (Testa, 2004). Subsidized guardianship provides an alternative to long-term foster care arrangements and minimal TANF payments. By providing adequate financial support to children and their new caregivers, subsidized guardianship can enable

relatives to become permanent guardians for children who would otherwise remain in public care (Cornerstone Consulting Group & Children's Defense Fund, 2004; Schwartz, 1993).

#### **Current Structure of Subsidized Guardianship**

Though states differ in their eligibility requirements and implementation of subsidized guardianship programs, each aims to promote permanent care arrangements for children. In general, subsidized guardianships serve "hard-to-place" children -- particularly older children, sibling groups, or those with special emotional needs -- and are primarily used when reunification with the birth parents and adoption have been considered and ruled out (Children's Defense Fund & Cornerstone Consulting Group, 2003).

Currently, most states require that the children be in the child welfare system for a period of time, ranging from six months to one year, prior to establishing a subsidized guardianship (Children's Defense Fund & Cornerstone Consulting Group, 2003). In addition, more than half of the programs require the children to first be in the care of their prospective guardian to be eligible for the subsidy, and many states seek parental consent as a way to ensure the permanence of the guardianship (Children's Defense Fund, 2004; Children's Defense Fund & Cornerstone Consulting Group, 2003).

Some states (e.g., Minnesota, New Jersey) allow non-relatives to assume guardianships, while others (e.g., Connecticut, Oklahoma) limit subsidized guardianships only to relative or kin caregivers (Children's Defense Fund, 2004). Most states require the establishment of legal guardianship or custody before a subsidized guardianship arrangement can be made (although Alaska and Kentucky do not) (Children's Defense Fund, 2004). Furthermore, some states (e.g., West Virginia) mandate caregivers to be certified foster parents. States additionally vary in assigning the court in which the guardianship is ordered. In some states, the probate court has jurisdiction, while in others the juvenile court is responsible for appointing the guardians (Schwartz, 1993).

Guardianship subsidies are not automatically granted in all states, but are based on a determination of need and the individual circumstances of the children and guardians (Geballe, 2000; Geen, 2003; McDaniel & Sosso, 1996). The amount of the subsidy also varies. Some programs provide approximately the equivalent of the foster care rate or adoption assistance rate, and others subsidize at a lower level, although at an amount higher than a TANF child-only grant (Children's Defense Fund, 2004).

Typically, the subsidy is provided until the child reaches 18 or until the guardianship ends. A few states, however, continue the subsidy until age 21 or 22 if the child is enrolled in a full-time secondary education program or has a disability (Children's Defense Fund & Cornerstone Consulting Group, 2003; McDaniel & Sosso, 1996). Additionally, reviews by child welfare agencies are generally conducted on an annual basis. The purpose of the review is to determine if the child is still living with the guardian, whether the child or guardian's financial situation has changed, and if the family is receiving the necessary services (Children's Defense Fund & Cornerstone Consulting Group, 2003).

Two states\* (Florida and Louisiana) have expanded their subsidized guardianship programs to provide financial support to relative caregivers of children who have not been in state custody (Beltran, 2002). Both of these programs work with relatives who have become court-ordered custodians or guardians. Florida's program started in 1998, and has served almost 14,000 children as of May 2002. Louisiana's "Kinship Care Subsidy Program" has served over 5,000 since beginning in March 2000 (Beltran, 2002). These states use TANF block grant funds to finance their programs, but differ in their income requirements for potential subsidized guardians. In Florida, only the child's income and assets are tested, and the monthly payments received by the guardian are based on the child's age. In Louisiana, the relative's income must be less than 150% of the federal poverty line and the child's income must not exceed \$222 per month. This amount is approximately 50% of Louisiana's foster care payment rate (Beltran, 2002). Programs such as those in Louisiana and Florida demonstrate an innovative approach to subsidized guardianship arrangements outside of the foster care system.

#### **Funding for Subsidized Guardianship**

While the federal government provides states with funds for children placed in foster care and adoptive homes, there is currently no single dedicated funding stream for subsidizing legal guardianships even though the arrangement is accepted as a legitimate permanency option (Shlonsky, 2004). Currently, subsidized guardianships are funded in an assortment of ways. Federal funding takes the form of demonstration waivers using Title IV-E dollars, TANF funds, Social Services Block Grant funds, Title IV-B child welfare services funding, and Medicaid (Geen, 2004). State and local

monies are also used in some states to provide guardianship subsidies.

#### *Title IV-E Funds*

Since a specific funding source is not yet available through the federal government, Title IV-E demonstration projects are one way in which subsidized guardianship programs are financed. Under the Child Welfare Demonstration Program, authorized by ASFA, the U.S. DHHS can approve up to 10 new demonstration projects per year (DHHS, 1997). These demonstration projects last up to five years and provide states "...with an opportunity to use Federal funds more flexibly in order to test innovative approaches to child welfare service delivery and financing" (Children's Bureau, June 2004a). States must apply individually through the Children's Bureau for approval of a demonstration waiver, must maintain the safety of children, and the total amount of federal funds used to support the demonstration project cannot exceed the amount that would have otherwise been spent if the project had not existed (DHHS, 1997). Title IV-E Child Welfare Waiver Demonstration projects offering federal reimbursement for subsidized guardianship payments have been conducted in seven states (Delaware, Illinois, Maryland, Montana, New Mexico, North Carolina, and Oregon). Five projects are currently active -- Montana and New Mexico are still completing their original demonstration, and Illinois, North Carolina, and Oregon have each received 5-year extensions. New applications for Title IV-E waivers from Minnesota and Wisconsin have recently been accepted, and demonstration projects are slated to begin in October 2005 and February 2006, respectively (Children's Bureau, 2005a).

#### *TANF Funds*

In addition to Title IV-E expenditures, TANF funds are also available to subsidize guardianships. Currently, twelve states use TANF funding for this purpose: Arizona, California, Colorado, Florida, Georgia, Indiana, Kentucky, Louisiana, Nevada, New Jersey, and Oklahoma (Children's Defense Fund, 2004).

#### *Social Services Block Grant Funds*

The Social Services Block Grant is the primary funding source in only one state, South Dakota, which offers a limited subsidized guardianship program (Children's Defense Fund, 2004).

#### *Title IV-B Funds*

Subsidized guardianship programs are additionally funded in some states through Title IV-B dollars. Under the Social Security Act, federal monies are provided to states for child welfare services. North Dakota has utilized these funds to finance subsidized guardianship programs

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\* Missouri also had a similar program, "Grandparents as Foster Parents," but funding for this program was discontinued as of July 1, 2005. Some caregivers who were previously funded under GAFF may receive assistance through Missouri's other subsidized guardianship program, the Non-Parent Caretaker Relative program (Missouri Department of Social Services, 2005).

(Children's Defense Fund & Cornerstone Consulting Group, 2003).

#### *State and Local Funds*

State monies are also used to finance subsidized guardianship programs (Children's Defense Fund, 2004; Geen, 2004). For those states relying on state and local dollars for guardianship payments, programs are likely to remain small due to limited availability of funds. Iowa, for example, has subsidized guardianship written into its legislation but lacks a designated funding source. Additionally, since completing their Title IV-E demonstration projects, Delaware and Maryland are now providing guardianship subsidies through state funds (Children's Defense Fund, 2004). Other states (e.g., Pennsylvania) use county dollars as a supplement to state funds to finance their programs (Beltran, 2002), and there is a locally funded subsidized guardianship program in Washington, D.C. (Children's Defense Fund, 2004).

#### **Benefits and Limitations of Subsidized Guardianship**

##### *Permanency*

The principal advantage of subsidized guardianship is providing a permanent and safe placement for children exiting the child welfare system when reunification and adoption are not viable options. The added provision of subsidies to caregivers works towards the end of providing stable arrangements for children, thereby embracing the goals outlined by ASFA (Children's Defense Fund & Cornerstone Consulting Group, 2003).

Subsidized guardianship as a permanency strategy can also work towards reducing the number of children in long-term foster care. An evaluation of findings from the Illinois Title IV-E demonstration project revealed overall positive outcomes for children in subsidized guardianship arrangements. Through the initial phase of the demonstration, the state saw an increase in the rate at which children exited the foster care system into permanent homes (Testa et al., 2003). While subsidized guardianship programs may not be entirely responsible for the decrease in foster care placements, they have still served as a significant contributing factor (Testa, 2004).

The existing data on the disruption of subsidized guardianships are somewhat conflicting. Some research suggests that subsidized guardianship increases a caregiver's level of commitment to the children (Wheat and Herskowitz, as cited in Schwartz, 1993). In addition, financial subsidy has been shown to decrease the likelihood that a placement with a relative caregiver will be dissolved (Testa & Slack, 2002).

However, Schwartz's (1993) review of subsidized guardianship programs report that at least two states (Hawaii and Nebraska) have levels of reentry into the

child welfare system or rates of guardianship dissolution that could be considered significant. On the other hand, more recently, California's KinGAP program evaluation demonstrated high levels of permanency and safety for children. Of over 8,000 children who exited foster care to KinGAP between 2000 and 2002, only 85 reentered the child welfare system (Shlonsky, 2004). Reasons for reentry to foster care included child behavioral problems, death or illness of guardian, or need for specialized services; maltreatment was not a prominent factor in return to care (Shlonsky, 2004).

Increasing permanency arrangements through subsidized guardianship appears to be mediated by the type of funds used to finance the program. A review of subsidized guardianship programs from 1999-2001 revealed a 33% decrease in the number of children remaining in relative foster care when guardianship subsidies were provided through Title IV-E waiver funds (Testa, 2004). For guardianship payments funded through TANF dollars, long-term kinship foster care arrangements decreased by 37% over this same time period (Testa, 2004). This percentage, however, is chiefly driven by California's KinGAP program. Excluding California's exit rates from the analysis, TANF-funded programs show only a 3% decrease in long-term kinship foster care arrangements (Testa, 2004). TANF's primary limitation is its capped amount; therefore, guardianship payments are supplied only through a surplus of TANF funds.

As a whole, states that use federal Title IV-E funds for subsidy payments appear to fare better than those with programs funded through state dollars (Testa, 2004). Subsidized guardianship programs financed through federal dollars demonstrate greater success in moving children from long-term kinship foster care to guardianship than programs funded solely through state monies (Testa, 2004). This may be indicative of the implications of withdrawing federal child welfare assistance and funding guardianship at a rate lower than foster care payments as a lack of incentive for kin foster caregivers to transition to legal guardians.

The amount of the subsidy has also been found to be associated with permanency rates. That is, higher payments yield higher rates of stability. For example, in Illinois, kin guardian caregivers receive a level of financial assistance similar to foster care payments, and the number of children in long-term kin foster care decreased by 42% between 1999 and 2001. On the contrary, legal guardians in Maryland, also funded through Title IV-E waivers, received only half the amount of the foster care subsidy. Over the same time period, the change in foster care placements was marked by only a 24% decrease (Testa, 2004). While the guardianship subsidy rate in Maryland was higher than the child-only

TANF payment, the amount was still less than the foster care payment. Consequently, kinship foster caregivers were less likely than unlicensed TANF grant recipients to agree to subsidized guardianship arrangements (Shlonsky, 2004).

Another issue related to subsidized guardianship that has limited its use is disagreement about the “real” permanency of guardianship. Arguments have been made that guardianship is not permanent since birth parents can seek to dissolve the guardianships (Riggs, 1996; Schwartz, 1993). While true, all states attempt to gain parental consent for the subsidized guardianships in advance to address this issue. Furthermore, adoptive parents, guardians and biological parents alike are vulnerable to custody suits by third parties.

#### *Family-Centered*

Since guardianship does not require the termination of parental rights and allows for continued connections with family, this arrangement may be a better option for some children (Children’s Defense Fund, 2004). Parents retain certain rights and responsibilities, including visitation and financial support for the child, thus allowing the parent-child relationship to be maintained (Riggs, 1996). As a result, subsidized guardianship reflects the principles of child-centered and family-focused practice and ensures that the child remains safe and nurtured, maintains access to other family members, and retains his or her cultural identity (Fluke et al., 1997; McDaniel & Sosso, 1996; Pew Commission, 2004; Testa, 2004). Moreover, subsidized guardianship gives legal recognition to family patterns common within African American, Latino, and Native American cultures, populations over-represented in the foster care system nationwide (Schwartz, 1993).

#### *Reduced Administrative Costs*

A reduction in administrative costs through subsidized guardianship programs may save states money and resources (Geen, 2004; Riggs, 1996; Testa, 2004). Since the children are no longer in the custody of the state, the child welfare system no longer has responsibility for providing case management, thus allowing for reallocation of child welfare staff resources or reduction in caseloads. Additionally, the courts no longer monitor these cases, potentially resulting in judicial savings. Court backlogs and the resulting delay in processing cases could also be eased (Schwartz, 1993). These savings from reduced administrative costs can help offset the economic burden of providing the subsidy (Geen, 2004).

States such as Massachusetts and Illinois have reported substantial savings in transitioning children from foster care to guardianship placements (NACAC, 1997). Massachusetts is home to the first subsidized guardianship program, established in 1983. As of 2002, a

total of almost 2,800 children had been served through the program (Beltran, 2002; Children’s Defense Fund & Cornerstone Consulting Group, 2003). While there is little empirical data that presents a fiscal analysis of the program, Massachusetts reports saving as much as \$10,000 per year on each case moved from foster care to guardianship (McDaniel & Sosso, 1996). Similarly, Illinois estimates savings of 50% per child once the child welfare case is closed (Testa, 2002). Savings were primarily a result of a reduction in administrative costs associated with on-going case management, including the elimination of judicial reviews (Cornerstone Consulting Group, 1999).

Assessment of savings, however, should consider program start-up costs and costs associated with required ongoing services and monitoring of children in the subsidized guardianship program (Geen, 2004). In addition, consideration of savings of a subsidized guardianship program also involves examination of current costs of foster care and level of spending in each state (Geen, 2004). Consequently, the amount saved will differ based on existing state financing policies.

#### *Long-Term Costs*

Despite the savings reports, some concern has been raised that the long-term cost of subsidizing guardianships will increase exponentially as utilization increases and guardianships last until children reach the age of majority (Schwartz, 1993). Fluke et al. (1997) developed a computer simulation to evaluate subsidized guardianship in Colorado. The model defined specific assumptions about the cost, duration, and corresponding workload requirements of each placement option, as well as eligibility criteria and a utilization rate for subsidized guardianship. The calculations predicted a decrease in foster care placements if subsidized guardianship was implemented, but cost savings and workload reductions were not realized (Fluke et al., 1997). The duration of kinship placements seemed to be the primary determining factor influencing cost and outcomes. As Fluke et al. (1997) note, it would be possible to develop a more cost-effective policy by examining other assumptions and scenarios. However, placing constraints on the use of subsidized guardianship may deny the benefits of guardianship to some children.

#### *Resources and Services*

The addition of the guardianship subsidy to a child’s income may affect his or her eligibility for benefits such as Medicaid or Supplemental Security Income (SSI). For example, in some states subsidized guardianship results in a loss of automatic eligibility for Medicaid (Riggs, 1996). Caregiver benefits, on the other hand, are generally not affected as assistance payments are intended for the child

(Children's Defense Fund & Cornerstone Consulting Group, 2003).

Concern has also been voiced that the lack of involvement with the child welfare system leaves guardians without key resources needed to meet the children's needs (Geen, 2003; Mason & Gleeson, 1999). Additional supports provided through foster care, such as clothing allowances, school supplies, and free summer camp, may not be available for caregivers who choose guardianship (Geen, 2003). Other services such as housing or childcare may also be jeopardized (Riggs, 1996). Furthermore, in most states, once the guardianship has been established, there are no post-placement support services. Although the lack of involvement with a child protection agency is often presented as one of the benefits of subsidized guardianship, some children may need scarce support services even while in the care of their guardian (Children's Defense Fund, 2004).

On the other hand, according to one state's evaluation of subsidized guardianships, caregivers appear to be satisfied with the permanency arrangement. Based on a review of Oregon's Title IV-E demonstration project, caregivers participating in subsidized guardianships reported overall positive perceptions of the program. Interviews with caregivers indicated that in addition to the benefits of financial support in subsidized guardianships, caregivers also supported the possibility of biological parents resuming care of the child in the future. Additionally, caregivers further appreciated the withdrawal of involvement of the child welfare system and its associated bureaucracy (Shlonsky, 2004).

#### *Systemic Barriers*

Utilization of subsidized guardianships, however, appears to be limited by several systemic barriers. Mason and Gleeson (1999) report that some caseworkers hold a bias against providing financial support to caregivers of related children or lack the skills to engage caregivers in discussions about different permanency options. Consequently, some child protection agencies and caseworkers do not discuss guardianship with families. Caseworkers may also be overwhelmed by the administrative tasks and requirements. For example, workers in Montana's Title IV-E demonstration project cited the amount of time and effort required for paperwork as disadvantages of subsidized guardianships (Children's Bureau, 2004c). Mason and Gleeson (1999) further noted several incidences in which the court system served as a barrier to approving subsidized guardianships. To address these issues, it is necessary to develop ways to assess children and caregivers who could benefit from subsidized guardianship, provide workers with adequate casework skills, and make comprehensive community-based resources accessible to caregivers.

#### *ASFA Timeframes*

Finally, in evaluating the current structure of subsidized guardianship, it is essential to consider if current practice complies with permanency goals outlined in ASFA. For instance, policies that require children to be in state custody for substantial lengths of time before providing a guardianship subsidy may conflict with the permanency timeframes established by ASFA (Children's Defense Fund & Cornerstone Consulting Group, 2003).

#### **Future Directions**

Subsidized guardianship presents a viable alternative that creates a legal, long-term relationship between a child and caregiver, and there have been efforts to expand the use of this arrangement. For example, the Pew Commission on Children in Foster Care (2004) recently published a report based on a review of the subsidized guardianship programs in Illinois and California that recommended the use of subsidized guardianship. The Pew Commission (2004) suggests the following five components for future programming: 1) limiting subsidized guardianship arrangements to children in foster care; 2) making guardianship subsidies equal to foster care payments; 3) ruling out possibilities of reunification of adoption before pursuing guardianship; 4) requiring background and criminal checks on caregivers to ensure child safety; and 5) ensuring a "strong attachment" between guardian and child, including a requirement that the child reside with guardian for some duration of time prior to awarding guardianship.

In order for states to maximize use of subsidized guardianship, continued and expanded funding to support such programs is necessary. Currently, caregivers often receive greater financial support through foster care payments than through guardianship subsidies. They must also meet eligibility requirements as a necessary condition to participate in subsidized guardianship programs. Taken together, the current structure of financial assistance provided through subsidized guardianship may not be sufficient for many caregivers to transition from foster parents to legal guardians (Geen, 2003).

To address this issue, one of the key recommendations of the Pew Commission (2004) states that the federal government should take responsibility to provide guardianship subsidies for children exiting foster care to reside with legal guardians. The Pew Commission (2004) also recommends that this guardianship assistance should match foster care and adoption payments, and the reimbursement to states should be entitled under Title IV-E expenditures. Estimates suggest that federal costs in the first year of such an implementation would approximate \$70 million (Pew Commission, 2004).

According to the Pew Commission (2004), federal guardianship assistance should only be provided to children involved in the foster care system, as a way of ensuring consistency of eligibility requirements (e.g., licensing and approval, criminal record checks) between guardianship placements and foster or adoptive homes. In this way, they suggest that a standard of care can be maintained for children who transition to subsidized guardianship arrangements.

However, the requirement that children be involved with the child welfare system for a specified period before establishing the guardianship subsidy may be disruptive. In addition, relative caregivers and biological parents may be reluctant to become involved in the child welfare system, which requires that they give up custody (and control) of their child, thereby making themselves vulnerable to the possibility that the child may not be returned to their care. This is particularly salient for groups like the African American community, which have historically been over-represented in the foster care system.

To prevent the dissolution of families and avoid children's entry into foster care, Schwartz (1993) suggests it may be appropriate to utilize subsidized guardianship as an extension of families' natural coping mechanisms, by investing friends or family members with legal authority and providing them with appropriate financial support without requiring prior placement in foster care. Therefore, it may be useful to consider expanding the implementation of subsidized guardianship, as has been done in Florida and Louisiana, to serve children who have not entered the child welfare system, but who are potentially at risk for entering the system.

Finally, in considering strategies for structuring these permanency arrangements, complementary reforms such as judicial reform, family group conferencing, and enhanced in-house data capacity may ensure a smoother implementation of subsidized guardianship programs (Cornerstone Consulting Group, 1999).

### Conclusion

Subsidized guardianship is an important permanency tool, especially for children for whom adoption or reunification with their birth parents are not options. Supporting caregivers through the provision of a subsidy affords children the opportunity to develop lasting relationships with an adult who is legally responsible for them. In addition, discharging the children from the child welfare system allows for less administrative and judicial oversight, and, potential fiscal savings. Furthermore, subsidized guardianship legitimizes cultural norms in African American, Latino, and Native American families,

who make up a significant portion of the child welfare population.

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