



Rutledge Q. Hutson
Center for Law and Social Policy

July 29, 2010
Hearing to Review the Use of Child Welfare Waiver Demonstration Projects to Promote Child Well-Being

Subcommittee on Income Security and Family Support
Committee on Ways and Means
U.S. House of Representatives

Thank you for the opportunity to testify today on behalf of the Center for Law and Social Policy (CLASP). CLASP is a non-profit organization that develops and advocates for policies at the federal, state, and local levels to improve the lives of low-income people. We focus on policies that strengthen families and create pathways to education and work. I am the Director of Child Welfare Policy at CLASP and am pleased to be able to speak with you today about improving the outcomes of children and families who come in contact with the child welfare system and the role of Title IV-E demonstration projects in improving those outcomes.

In my testimony I want to make the following points:

- **Existing child welfare financing structures do not give states, communities or frontline workers the tools they need to improve the outcomes of children who come in contact with the child welfare system.**
- **Improving the outcomes of children and families who come in contact with the child welfare system will require both new resources and redirection of existing resources.**
- **Child welfare waivers have been very beneficial in allowing states and communities to build upon and test promising approaches to improving the outcomes for children.**
- **By definition, child welfare waivers cannot infuse new resources into the system because such new investments would violate the waiver principal of cost neutrality.**

Improving outcomes requires new funding, as well as redirecting existing funding:

The current child welfare system lacks the capacity to address the needs of children who are abused or neglected and the vast majority of federal resources to address these needs are available only after a child is removed from his or her home.

For the last decade, *between three-quarters of a million and a million children have been found to be abused or neglected each year* – that is, for these children, a report of maltreatment was made, it was investigated and the children were found to be victims of abuse and/or neglect. The number of children who are substantiated as abused or neglected each year is but the tip of the iceberg, however. The Fourth National Incidence Study of Child Abuse and Neglect (NIS-4) indicates that the true incidence of maltreatment is as much as three times higher and those estimates are consistent with ones made in 1996.¹

¹ Sedlak, A.J., Mettenburg, J., Basena, M., Petta, I., McPherson, K., Greene, A., and Li, S. (2010). *Fourth National Incidence Study of Child Abuse and Neglect (NIS-4): Report to Congress*. Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families. available at: http://www.acf.hhs.gov/programs/opre/abuse_neglect/natl_incid/index.html. *See also*, U.S. Department of Health and Human Services, *The Third National Incidence Study of Child Abuse and Neglect*, (Washington, DC: 1996)

Data also indicate that *nearly 40 percent of the children for whom allegations of abuse or neglect are substantiated get no additional services.*² The system investigates the allegations of maltreatment, finds that abuse or neglect did in fact occur and then closes the case. These children are not placed in foster care. They do not receive counseling, home visiting or any other support.

Why do up to two-thirds of the children who experience maltreatment go undetected and 40 percent of the children known to be abused receive no services? Are state and local child welfare agencies inept or uncaring? Do front line workers and supervisors not want to help vulnerable children and families? I would argue that such hypotheses are false. Most of the staff I've known over the years, from the directors and commissioners to the front line workers, have been dedicated and caring and given their all to help children and families. Yet, it is as if they are fighting with one hand tied behind their backs. *The financing structures that currently exist simply do not provide states, localities or workers with the tools they need to address the challenges children and families face.*

Consider the worker who recognizes that what a particular family needs is help getting into stable housing, intensive substance abuse treatment for the mother and quality child care for the children while she is receiving treatment. The worker may know in her heart and based on her training that what the family needs is residential family-based substance abuse treatment, but she has no access to resources to pay for that treatment. Another worker may be looking at a family where a young child with autism continually runs from his backyard out onto the state highway passing in front of his house. The worker knows this is a dangerous situation for the child, but she has no resources to install a fence in the backyard so the child can be safely confined and allowed to burn his energy in the fresh air and sunshine while his mother attends to the other family members and works from home. Yet a third worker may be trying to help a family where the mother is facing domestic violence from her spouse. The worker knows things are escalating and the children are increasingly at risk from witnessing or experiencing the violence, but he has no resources to help relocate the mother to another residence, get her job training and help her start afresh.

What is most available to each of these workers under the current federal financing structure is to remove the children from their families and put them in foster care – even when doing so will be traumatic and exacerbate the harm the children are experiencing in their current situations. For every dollar we spend on out-of-home care, we spend perhaps 30 cents on services to prevent abuse and neglect or avoid the need for foster care.³

² U.S. Department of Health and Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children's Bureau. (2010). Child Maltreatment 2008 available at: http://www.acf.hhs.gov/programs/cb/stats_research/index.htm#can.

³ There are a variety of ways to calculate this ratio – none of them perfect. For this analysis, we have compared the various sources of federal child welfare spending in 2006. This data was gathered and analyzed by Child Trends, [*See*, Child Trends, "Federal, State, and Local Spending to Address Child Abuse and Neglect in SFY 2006" December 2008, Appendix A]. For our estimate of the ratio of spending on out-of-home placements to spending to prevent out-of-home placements we considered the following expenditures to be for out-of-home placements: Title IV-E spending (which is almost exclusively for the care of children in out-of-home placements) and Medicaid targeted case management services and

Despite the limitations created by these fiscal structures, *creative child welfare leaders in some communities have patched together disparate funding streams to come up with an infusion of cash* that can be used more flexibly to create the supports and services in their communities that can help families on the verge of crisis get what they need to avoid foster care.⁴ Over time, these efforts help bring down foster care caseloads, but then the federal savings that result from needing less foster care monies flow back to the U.S. Treasury. The savings are not available to help continue to support and expand the community services that are needed to keep caseloads down. In essence, states and communities that achieve good results, keeping children safe in their homes, are penalized because federal investment in child welfare services decreases.

In the current economic environment, even the most creative of child welfare leaders cannot find the funds to piece together the supports that will keep children safely in their homes. They are facing budget cuts to a range of services that help low-income families, services that can be used to help keep children safely with their families.

To turn around the outcomes for children and families – to ensure that fewer children are abused or neglected – to ensure those who are abused or neglected receive the supports and services they need to heal – the nation must give state and local child welfare agencies the tools needed to do the job. Workers must be able to deal with each child and family according to their strengths and needs and that can happen only when fiscal structures are aligned so that services can be selected based on need, not on what is available.

Effective reform turns on two things: (1) making new investments, particularly in prevention, early intervention and treatment services, and (2) redirecting existing resources to more effective interventions for children and families as the capacity to provide those interventions is created with new investments.

In 2008, Congress passed and President Bush signed the landmark Fostering Connections to Success and Increasing Adoptions Act (Fostering Connections). This legislation built upon the knowledge gained in the last decade, some of it through waivers, about ways to help children move out of foster care. Fostering Connections gives states the flexibility to help children exit foster care to live with relative guardians and expands support to more children who leave foster care to live with adoptive families. For older youth for

rehabilitative services to children who are involved with the child welfare system, which could in theory include some children who are involved with the child welfare system but not in out-of-home placements who are receiving such Medicaid services, but more likely relates to expenditures for children in foster care or children receiving adoption assistance who are automatically eligible for Medicaid. We considered the following expenditures to be for services and supports to keep children in their homes: Title IV-B, the Child Abuse Prevention and Treatment Act, and the Social Services Block Grant. Funds from these three sources are also used for children who are in out-of-home placements but since we lack good data on what proportion goes to what population, we will make the conservative assumption that all of it goes to children who are not in out-of-home placements. This led to a calculated ratio of approximately 30 cents spent on services to prevent maltreatment and avoid foster care for every dollar spent on out-of-home placements. TANF is also a significant federal source of child welfare funding but it is more difficult to estimate what portion of these services are going to support children in out-of-home care and what proportion support children in their homes. Thus, we exclude TANF expenditures out of our ratio calculation. Others have calculated ratios more along the lines of 10-15 cents spent on prevention and early intervention for every dollar spent on out-of-home care. Thus, our estimate seems quite conservative.

⁴ See e.g., Rutledge Q. Hutson, *A Vision for Eliminating Poverty and Family Violence: Transforming Child Welfare and TANF in El Paso, County Colorado*, January 2003 available at: <http://www.clasp.org/admin/site/publications/files/0108.pdf>

whom permanent families have not yet been found, the legislation gives states the option to support them to the age of 21 and continue to help them find permanent families – be it through reunification with their birth families, placement with relatives or adoptive families. For older youth who have only recently found permanent families, Fostering Connections gives states the flexibility to continue to serve those children in their new families until the age of 21 to help make the transition to the new family stable and lasting. The law also seeks to improve the experience of children in foster care by increasing the likelihood that children will be placed with relatives, that they will be placed together with their siblings, that they will remain in the same schools and by strengthening the coordination and oversight of health care to ensure that children in foster care get their physical, mental and dental health needs met. Although Fostering Connections makes some competitive grant funds available to states to try to keep children safely out of foster care, the legislation largely focused on helping those already in the system move out of foster care safely and quickly.

When Fostering Connections passed, Members of Congress in both the House and the Senate, on both sides of aisle, noted that the legislation was the first step – was a down payment – towards more comprehensive financing reform that would support states in their efforts to prevent children from coming into foster care whenever possible. Their comments reflect the critical recognition that federal financing structures have not kept pace with the knowledge and innovation about how to keep children safely with their families and out of foster care. *Even with the exciting improvements of Fostering Connections, the vast majority of federal funds support children only after they have been removed from their homes, instead of supporting children and their families to keep the children from ever having to face the trauma of being separated from their families.* To really alter the outcomes for children and families, the nation will have to invest new resources and redirect existing resources so that a full continuum of services is available to prevent abuse or neglect whenever possible and appropriately respond when maltreatment does occur.

To make a significant difference for all children who have experienced or are at risk of abuse or neglect, the federal financing structures must be realigned to make it possible for the “average” child welfare director, supervisor and front line worker to provide families what they need. Our financing structures should make doing the right thing for families simple. It is unreasonable to expect dramatic changes in the outcomes children and their families experience if the financing mechanisms continue to require child welfare workers at all levels to constantly patch together unpredictable funding sources and services in order to provide the simple solution. It should not be harder for a worker to get a family services that will avoid the need for foster care than it is for the worker to put the children in foster care.

Child welfare waivers have been very beneficial for testing certain types of approaches:

Demonstration projects are particularly useful for assessing interventions where one intervention – for example foster care – can simultaneously be substituted for another – for example subsidized guardianship. CLASP has long supported child welfare waivers as a method of trying out new approaches to serving children and families. As noted above, the lessons learned in earlier waivers on subsidized

guardianships were critical to Congress' decision to give states the flexibility to use Title IV-E dollars to provide kinship guardianship assistance in Fostering Connections.

In the case of subsidized guardianships, the waivers allowed states to compare the benefits of keeping children in long term foster care, because reunification with their birth families or adoption by other families were not appropriate options, with the benefits of moving those children into guardianships with relatives and providing ongoing financial support to the children. Since the children were likely to remain in foster care absent the subsidized guardianship intervention, it was not difficult for the effectiveness of guardianship to be tested in a manner cost neutral to the federal government. These waivers demonstrated conclusively that children did better when they were placed with relative guardians.⁵

Child welfare waivers cannot be used to invest new resources in the system:

By definition, child welfare waivers must be cost neutral. Thus, they are not intended to infuse new resources into the child welfare system but only to redirect the resources from one type of intervention to another. As a result, waivers have limited capacity to expand the continuum of services, particularly to front end services and supports that will keep children from experiencing harm and from needing to come into foster care.

Investing in prevention, early intervention and treatment service will prevent abuse and neglect and lessen the need for foster care, but resources will not immediately be freed up for other uses:

The premise of waivers seeking to add new services to the array of services that can be paid for with Title IV-E is that if additional services can be provided to at risk families, these services will prevent abuse and neglect and thus reduce the need for foster care. An additional assumption is that providing appropriate services to children in foster care, as well as to their families, will help those children return home or move to a home with relative guardians or adoptive parents – which will also reduce the need for foster care. CLASP firmly believes that reduced foster care will result from investments in appropriate prevention, early intervention and treatment services and will result in better outcomes for children and their families. However, we believe that *the reduction in foster care caseloads and expenditures will come only after the other services are firmly in place*. Until such supports and services are available to meet the needs of children and families, states, communities and workers will be faced with the dilemma they currently face – leave the children in their homes without adequate supports and risk additional harm to the children or place the children in foster care.

Since we do not believe the continuum of needed services can be created or expanded to fully address unmet need until new resources are made available, CLASP does not believe a robust continuum of

⁵ For an overview of the research on the benefits of kinship care, see Tiffany Conway and Rutledge Hutson, *Is Kinship Care Good for Kids?*, March 2, 2007 available at: <http://www.clasp.org/admin/site/publications/files/0347.pdf> and Tiffany Conway and Rutledge Hutson, *Submission in Response to Senator Gordon Smith's July 26, 2007 Call for Papers on the Needs of Grandparent and Other Relative Caregivers*, September 10, 2007 available at: <http://www.clasp.org/admin/site/publications/files/0376.pdf>

services can be developed in a cost neutral setting. We therefore believe that waiver authority will not give states and communities a fair chance at testing the assumptions we share about the value of investing in services to avoid the need for foster care.

Some argue that new resources can be generated by simply redirecting foster care expenditures to other needed services and supports. CLASP believes such a redirection of resources from foster care to prevention and early intervention and treatment will occur, *but only after the service continuum is robust enough* to allow children to begin safely returning home or moving to adoptive families or relative guardians. Until a caseworker can access community services and supports to make reunification, adoption or guardianship a viable option, the costs of foster care are essentially fixed costs. Therefore, ***the cost neutrality requirement of waivers makes it impossible for states and communities to have a fair chance to demonstrate that they can safely move children out of foster care and achieve more positive outcomes for those children.***

Investing in prevention and early intervention services may lead to the detection of more children who are abused or neglected and therefore require additional expenditures:

Finally, if a state is able to cobble together other resources, outside the waiver, to begin effectively building out the continuum of services and supports to prevent abuse or neglect and avoid the need for foster care, it is likely (or at least hoped) that the this more robust system will allow workers to detect more of the children who are experiencing abuse and neglect (those who are not currently identified) and intervene to help them. It is hard to conceive of how creating new services and serving more children can be done in a cost neutral manner as waiver authority requires.

Lessons from the child welfare demonstration projects on parental substance abuse:

Early child welfare demonstration projects lend support to this concern. For example, the outcomes of Title IV-E waivers designed to increase parental participation in substance abuse treatment were more mixed than those of subsidized guardianships. This is not because substance abuse treatment does not work for parents of children involved with the child welfare system. There is a substantial body of research that indicates certain types of treatment, particularly family-based residential treatment, are effective.⁶ Rather, we believe the evaluations of substance abuse treatment in child welfare demonstration projects speak to the limits of what states can do within a cost neutral wavier environment.

Within the constraints of a cost neutral waiver, state child welfare agencies generally could not pay for the actual substance abuse treatment. Instead, the four states that implemented child welfare waivers designed to address parental substance abuse focused, to differing degrees, on improving assessment of substance abuse problems, enhancing the capacity to refer parents to appropriate treatment and developing the

⁶ *See e.g.*, The Rebecca Project for Human Rights, *Child Welfare, Addiction, and Family Treatment Findings*, available at: <http://www.rebeccaproject.org/images/stories/files/ReportChildWelfareAndFamilyTreatmentOutcomes.pdf> and The Rebecca Project for Human Rights, *Child Outcome Data for Comprehensive Family Treatment Programs*, available at: http://www.rebeccaproject.org/images/stories/files/outcome_data_for_comprehensive_family_treatment_programs.pdf

capacity to provide case management in ways that would encourage parents to complete treatment. Three of the four states had significant problems connecting parents to treatment services. Illinois, the state with the most success at getting parents into substance abuse treatment had the most promising results with findings that children whose parent(s) had access to intensive substance abuse services spent less time in foster care and also appeared to be at less risk of further maltreatment. The challenge of connecting parents to treatment may explain the mixed findings on outcomes for children. After all, *improving identification of substance abuse problems and referring more families for treatment can only impact families if appropriate treatment is available.*

The cost neutrality requirement was particularly problematic in the two states that wanted to increase substance abuse treatment for parents with children who had not yet been placed in foster care. The cost of serving those families, even when the services were limited to assessments, referrals and case management, was not able to be offset by reducing foster care costs because their children had not entered foster care and therefore were not incurring those costs.⁷

Lessons learned from the “flexible funding” child welfare demonstration projects:

In addition to the substance abuse demonstration projects, a number of states received “flexible funding” or “capped allocation” waivers to allow states to implement more systemic changes – to create a continuum of services that begin before a child enters foster care. Cost neutrality seemed to present even greater challenges in these waivers. Initially several states sought “flexible funding” waivers. The evaluations of these waivers produced mixed results and the evaluators noted the challenges of attempting to give local agencies and workers more flexibility within the requirements of cost neutrality. *States and counties either undertook new initiatives and then curtailed them when it became apparent that they would not be cost neutral or they were reluctant to take up new initiatives for fear that they would not be cost neutral.*⁸

Subsequent to the initial “flexible funding” waivers California and Florida received such waivers with a different method of calculating cost neutrality. In the earlier waivers the Department of Health and Human Services had strict interpretations of cost neutrality. States were required to have comparison groups. For example, a state had to compare similarly situated counties, one of which could use the funds flexibly and one of which served as the control. Cost neutrality was determined by looking at the costs in the control counties and demonstration counties were considered “cost neutral” if their expenditures did not exceed the costs of the control counties. In one state, the comparison was done at the individual case level – such that the state was allotted a certain number of “waiver slots” and cost neutrality was determined through a

⁷ For an overview of the evaluation findings of Title IV-E waiver demonstration projects focused on substance abuse see the Children’s Bureau website at: http://www.acf.hhs.gov/programs/cb/programs_fund/cwwaiver/substanceabuse/index.htm

⁸ For an overview of the evaluation findings on the initial “flexible funding” waivers see the Children’s Bureau website at: http://www.acf.hhs.gov/programs/cb/programs_fund/cwwaiver/flexfund/index.htm.

complex process that resulted in counties being informed of a specific dollar figure that could be spent for a child in a “waiver slot”. As a result of these constraints, the state did not utilize all its “waiver slots”.⁹

For Florida and California, cost neutrality was determined in an alternative manner. The states were allowed to *project* what their expenditures *would be* over the five years of the waiver without the flexibility provided by the waiver and if the actual waiver expenditures were equal to or less than those projected expenditures they were considered cost neutral. Florida projected that its foster care expenditures would increase by three percent each year and its adoption assistance expenditures would increase by 20 percent the first year of the waiver and 15 percent each year thereafter.¹⁰ California projected that its foster care expenditures would increase by two percent annually and its adoption expenditures would increase by 15 percent annually.¹¹ HHS and the Office of Management and Budget scored these waivers as cost neutral despite the fact that California and Florida’s foster care caseloads and Title IV-E expenditures for foster care maintenance payments were declining in the years preceding the waiver and that their Title IV-E adoption assistance caseloads and expenditures were increasing but generally not anywhere near 15-20 percent annually.

States may only be interested in obtaining future waivers if they believe they can obtain interpretations of “cost neutrality” similar to those of Florida and California. It seems unlikely that more traditional cost neutrality calculations of earlier child welfare demonstration projects would offer states the means to address their current budget challenges.

If Congress is prepared to encourage or require the Administration to interpret cost neutrality as the prior Administration did for the Florida and California waivers and actually invest new money in the child welfare system, CLASP would urge Members to make the funds available to all states, not just those who obtain a waiver. If Congress is not prepared to go with a more expansive definition of “cost neutrality”, then the appeal of waivers loses its luster. ***While at first blush, it may be tempting to look to waivers as a “no-cost” solution in the current budget climate, such an approach would be short sighted.*** Cost neutral waivers simply cannot create the full continuum of services needed to make sustained improvements in the outcomes children and families experience.

If Congress wants to more fully share the responsibility for protecting and assisting children who have been or are at risk of being abused or neglected, it must tackle comprehensive financing reform. I believe that most of my colleagues testifying today agree with me that comprehensive reform is essential to changing the outcomes for vulnerable children and families. ***Pursuing waiver authority is, in CLASP’s view, an effort that will divert or delay the effort to bring about comprehensive reform that makes the federal***

⁹ Indiana Title IV-E Child Welfare Waiver Demonstration Project: Final Evaluation Report, conducted by the Institute of Applied Research, September 2003, available at: <http://www.iarstl.org/papers/INFinalReport.pdf>.

¹⁰ Waiver Terms and Condition, Florida Child Welfare Demonstration Project

¹¹ Waiver Terms and Condition, California Child Welfare Demonstration Project

government and state/tribal governments true partners in protecting our nation's most vulnerable children.

In the last decade, we have learned much about the challenges facing the families of children who are abused or neglected. We've also learned much more about how to intervene and support these families before maltreatment occurs and to intervene early, after some maltreatment has occurred, to strengthen the family, help the parents address challenges and allow children to safely remain with their families. However, our financing structures have not kept pace with this learning about what works and the bulk of federal child welfare spending is still only available for out-of-home placements, rather than prevention, early intervention and treatment services.

CLASP together with more than thirty national organizations is working diligently to develop a set of recommendations about the next steps in comprehensive reform – steps that build off the important progress of Fostering Connections. Our recommendations will not be cost neutral in the short term because we do not believe it is possible to change significantly the outcomes for children and families without additional investments, particularly when up to two-thirds of children who experience abuse or neglect are not known to the system and when forty percent of the children found to have been abused or neglected get no services to ameliorate the harm of that maltreatment.

It is important to note, however, that while comprehensive financing reform is likely to entail additional federal expenditures, ***there are significant costs to maintaining the status quo and not taking up comprehensive financing reform.*** Our nation is spending more than \$100 billion annually on the direct and indirect costs of child abuse and neglect.¹² This includes providing traditional child welfare services, including foster care, but also includes the long term costs of not treating abuse and neglect which results in increased health care costs, lost productivity and criminal justice involvement.¹³ CLASP believes that it is wiser to invest in a continuum of services that prevent maltreatment whenever possible, that effectively intervene when maltreatment does occur and that avoid many long term negative consequence for children, families and the nation. Comprehensive financing reform is the right thing to do and it is the prudent thing to do.

¹² Prevent Child Abuse America, *Total Estimated Cost of Child Abuse and Neglect in America*, 2008 available at: http://www.kidsarewaiting.org/publications/partner_reports.

¹³ For an overview of the consequences of child maltreatment *see*: Centers for Disease Control and Prevention, *Adverse Childhood Experiences, Major Findings*, available at: <http://www.cdc.gov/nccdphp/ace/findings.htm>; P. Pecora, R. Kessler, J. Williams, K. O'Brien, A. Downs, et al. *Improving Family Foster Care, Findings from the Northwest Foster Care Alumni Study*, Casey Family Programs, 2005, available at: <http://www.casey.org/Resources/Publications/ImprovingFamilyFosterCare.htm>; M. Courtney, et al. *Midwest Evaluation of the Adult Functioning of Former Foster Youth: Outcomes at Age 21*, Chapin Hall Center at the University of Chicago, 2010, available at: <http://www.chapinhall.org/research/report/midwest-evaluation-adult-functioning-former-foster-youth> ; *Childhood Victimization and Delinquency, Adult Criminality, and Violent Criminal Behavior: A Replication and Extension*, Final Report Submitted to NIJ.; and, *Coming of Age: Employment Outcomes for Youth Who Age Out of Foster Care Through Their Middle Twenties*, U.S Department of Health and Human Services, 2008, available at: http://www.urban.org/UploadedPDF/1001174_employment_outcomes.pdf

Appendix A

If the Subcommittee decides to go forward with reinstating waiver authority, it should strengthen the accountability provisions of the authority in two ways. First, evaluations conducted of future demonstration projects must be required to better assess the outcomes of the interventions tried. They must assess the outcomes of all children who come in contact with the child welfare system, not just those who enter the system. This ensures that the evaluations capture unintended consequences. For example, the evaluation should follow the outcomes of children who are diverted from foster care. Keeping children in their own homes or placing them with relatives are good outcomes only if the children are safe and their needs are met. In addition, the evaluations must find ways to look at multiple outcome measures simultaneously. For example, a demonstration project may be associated with an outcome where the average length of time in foster care dramatically increases. This may appear to be a negative outcome. However, if that outcome is coupled with a fifty percent reduction in the number of children in foster care, the increased length of stay may be appropriate because only those children who really need to enter foster care are coming in and these children and their families may have challenges that take longer to resolve. The point here is that the methods of evaluation need to be more fine tuned – just as the methods of assessing performance outside of demonstration projects needs to be refined – so that we can continually learn from and improve child welfare practice.

Second, in addition to strengthening the assessment of outcomes, evaluations of future demonstration projects should be required to assess the full costs of providing the services and supports offered under the waiver. The evaluations should capture baseline expenditures on such services and track them over the life of the demonstration project. The expenditures examined must include expenditures from other federal funding streams, state and local funding streams and private funding made available to support the service continuum. Without this information, it will be impossible to say at the end of the demonstration project what it cost to achieve the outcomes observed and the assumption will be, because waivers are required to be cost neutral, that for no additional investments the outcomes observed can be achieved in all states.