

# Fostering the Future for American Children and Families: Harnessing the 2025 Executive Order to Drive Child Welfare System Modernization

## Executive Summary

The President’s “**Fostering the Future**” Executive Order (EO) charts an ambitious course for upgrading the U.S. child welfare system. In particular, Section 2 directs HHS to modernize data collection and reporting, eliminate duplicative burdens, deploy predictive analytics/AI (with strong safeguards), and publish annual child welfare scorecards. Section 3 calls for inter-agency and public–private partnerships, and a “**Fostering the Future**” online platform (via the National Design Studio) to guide youth exiting foster care to housing, education, jobs, healthcare, mentoring, and other supports.

This policy initiative opens new federal and philanthropic funding streams for innovation. **NARA** – as the U.S. nonprofit licensing association – is uniquely positioned to lead or partner in developing the needed technology and research. Its mission (“health and safety of children in regulated settings”), history of regulatory science (differential monitoring), and broad network (state regulators, providers, researchers) give NARA credibility and access. We recommend NARA advance a portfolio of grant-funded projects: a **multi-state, configurable regulatory data platform**; differential-monitoring engines (based on Dr. Rick Fiene’s research) for risk-based inspections; integrated scorecards and dashboards; and predictive/preventive analytics focused on child well-being (not punitive enforcement). These initiatives align directly with HHS and philanthropic priorities and promise a strong public return on investment in efficiency, compliance, and child safety.

This paper analyzes the EO requirements (Sec 2 “Modernizing Child Welfare” and Sec 3 “Fostering the Future”), current system challenges, the foundational role of differential monitoring, NARA’s strengths, proposed technology initiatives, funding alignment, implementation strategy, ethical safeguards, and expected outcomes. It concludes with a strategic recommendation for the board to pursue targeted grant funding and partnerships under the new EO.

## Overview of the Executive Order and Strategic Implications

Signed November 13, 2025, the EO tasks the HHS Secretary (via ACF/Children’s Bureau) to accelerate child welfare modernization and foster-care transition supports. Key directives include:

- ❑ **Modernizing Data and Systems (Sec 2):** Within 180 days, update policies to improve state-level child welfare data collection, transparency and utility (eliminating duplicative or low-value reporting); promote modernization of state child-welfare information systems and use of best-in-class foster care management platforms; and expand state use of technology – including predictive analytics and AI – to boost foster parent recruitment/retention, improve child–parent matching, and allocate federal funds more effectively. The EO also mandates an **annual scorecard** measuring state achievement on key outcomes (entries into care, investigation timeliness, abuse/fatalities, caregiver recruitment/retention, placement stability, time in care, permanency, and community partnerships).
- ❑ **Fostering the Future Initiative (Sec 3):** HHS (with the First Lady’s office and other agencies) must, within 180 days: establish a **Fostering the Future initiative** bringing together federal agencies, private-sector, academia and nonprofits to create education and employment opportunities for current and former foster youth; and launch an **online “Fostering the Future” platform** (with the National Design Studio) that assesses the needs of youth who have been in foster care and guides them to federal, state and local services (housing, education, jobs, healthcare, mentoring, etc.), generating customized self-sufficiency plans. The order also calls for reallocating unused foster-care funds to youth education/financial literacy, greater flexibility in

Chafee Education and Training Vouchers, and using tax-credit scholarships for foster youth (Section 3(c-e)).

**Strategic Implication:** The EO effectively makes child welfare modernization an HHS priority, signaling new funding and high-level support. It encourages **federal–state collaboration** on data, systems and youth supports, and explicitly invites private-sector/academic partnerships. For NARA, the EO provides a framework to align its initiatives: NARA can propose projects that directly advance these requirements, positioning itself as a thought-leader and partner to HHS (Children’s Bureau, Office of the First Lady, etc.) as well as to philanthropy. The EO’s emphasis on measurables (scorecards) and tech-driven prevention dovetails with NARA’s expertise and convening power.

## Current Challenges in Child Welfare Data and Oversight

Despite decades of reform, the child welfare system suffers persistent data and oversight weaknesses.

**Data Fragmentation and Quality:** State child welfare data are often incomplete or inconsistent. A recent GAO report found federal NYTD outcomes data unreliable because many services go unreported. HHS-OIG similarly noted missing/incomplete information needed to monitor maltreatment in foster settings.

**Duplicative Reporting Burdens:** States must submit extensive data to multiple federal systems (AFCARS, NCANDS, NYTD, etc.), with overlapping elements often reported in different formats. Many states also face additional state-level reporting mandates; the net effect is high-cost, low-value paperwork that drains agency resources. **Outdated IT Systems:** Many jurisdictions still run legacy “SACWIS” systems from the 1990s that are inflexible, monolithic, and costly to maintain. These outdated systems do not interoperate with each other (or with other agencies’ data, such as Medicaid or courts), hampering real-time data sharing and analysis. **Lack of Standardized Metrics:** Definitions of key outcomes vary by state (e.g. how “entry into care” or “time to reunification” are measured), preventing meaningful cross-state comparisons. **Transparency Gaps:** Few states provide real-time public dashboards; most release only static annual reports, leaving policymakers and the public “in the dark” about performance. These challenges are well documented by experts: as one analysis notes, “State child welfare agencies struggle with poor data quality, burdensome and duplicative reporting, outdated technology systems... and differing outcome metrics tied to multiple funding sources”. Caseworkers remain overburdened by paperwork and manual processes while youth outcomes (homelessness, unemployment, mental health) remain unacceptably poor.

**Implication:** Modernizing data and oversight is urgent. Federal leaders have recognized these issues: HHS is now instructed to eliminate “unnecessary high-cost and low-value reporting requirements” and to promote state system upgrades as central to improving child safety and foster-care outcomes. Any proposed initiative must address these known bottlenecks (consolidating reports, improving data quality, ensuring interoperability and standardized metrics) to be credible.

## Why Differential Monitoring Is Central to Modernization

Modern regulatory science emphasizes **differential (risk-based) monitoring** over one-size-fits-all inspections. NARA has championed this approach, grounded in Dr. Rick Fiene’s research on regulatory compliance. In differential monitoring, the **frequency and scope of oversight** are tailored to a provider’s compliance history and assessed risk profile. Agencies score each licensing regulation by risk, and identify “key indicators” that statistically predict overall compliance. Programs with strong compliance histories receive fewer, targeted inspections; those with higher risk factors are monitored more closely. This model contrasts sharply with blanket annual inspections for all providers.

Extensive evidence supports differential monitoring as a foundation for modern regulatory technology. **Broad Adoption:** Most U.S. child care licensing agencies now use some form of differential or targeted monitoring. For example, Georgia’s system explicitly implements Fiene’s methodology (core-rule risk scoring and key-indicator inspections). Washington State uses an abbreviated checklist for providers “in good standing” and reserves full inspections only when key indicators fail. Research finds “*approximately two-thirds of states*” employ such strategies in their childcare programs, reflecting its recognized benefits.

**Key Benefits:** Peer-reviewed studies and federal analyses find that differential monitoring **increases efficiency and effectiveness** of oversight. By focusing resources on high-risk areas, regulators “*save resources*” and free up staff for priority issues. For consistently compliant providers, the burden of frequent inspections is reduced. Meanwhile, inspectors concentrate on critical rules most linked to child safety, taking a more *proactive* role in preventing harm. The result is **improved compliance outcomes**: providers better understand and adhere to key standards, and non-compliant entities face focused intervention, creating strong incentive to improve. In summary, differential monitoring yields **cost-efficiency (fewer unnecessary visits), better risk management, and stronger child safety**.

**Strategic Importance:** Differential monitoring is thus central to modernizing regulatory oversight. It aligns with the EO’s call to use technology intelligently rather than blindly increase enforcement. By treating compliance as dynamic data, NARA and states can shift toward *predictive, preventative oversight* – exactly the paradigm HHS is encouraging. NARA’s own research and standards (e.g. the NARA Differential Monitoring initiative) make it the natural convener to extend these models (through engines and tools) across states.

## NARA’s Unique Position and Institutional Credibility

NARA (National Association for Regulatory Administration) is an **international nonprofit professional association** founded in 1976, dedicated to protecting health and safety in regulated human services settings. Its **mission** – “promote the health and safety of children and adults in regulated settings” – squarely encompasses child welfare licensing. NARA represents *all* human care licensing, including child care, foster care and welfare programs. Its membership spans state/provincial licensors, agency leaders, frontline regulators, providers, researchers, and other stakeholders. As the NARA website notes, “Among our partners are providers, consumers and their families, regulators, advocates... policy-makers, universities, researchers...”. This broad stakeholder network is unmatched: NARA can bring together regulators from multiple states, technical experts, and advocates in one forum.

NARA’s **track record and expertise** further lend credibility. It has long promoted best practices in licensing (model standards, policy guidance) and hosts an annual regulatory conference. Critically, NARA has pioneered *Regulatory Science* in the human services domain. Its Differential Monitoring program is explicitly based on the research of Dr. Rick Fiene, and the association curates foundational studies and tools on efficiency in oversight. NARA thus uniquely bridges research and practice: it can translate academic insights (like Fiene’s) into practical technology tools and standards for agencies nationwide. Its **institutional neutrality** (nonprofit, not a vendor) makes it an ideal convener for federal–state dialogue and for brokering grants that span jurisdictions.

Moreover, NARA is well-connected to philanthropic and academic partners interested in child welfare innovation. For example, foundations like the Annie E. Casey Foundation and Casey Family Programs actively support research on child welfare data and analytics. NARA’s affiliation with universities and its own publications (e.g. licensing bulletins, research anthologies) position it to collaborate on research components of proposed projects. In short, NARA brings: a **policy mandate** (protecting vulnerable children), a **research grounding** (differential monitoring/regulatory science), and a **nationwide network** of regulators and stakeholders. These factors make NARA exceptionally well-suited to lead or partner in the EO’s modernization and youth-support efforts.

## Proposed Grant-Fundable Technology Initiatives

NARA should pursue a coherent suite of technology and research projects aligned to the EO’s goals and fundable through federal discretionary grants (e.g. Children’s Bureau, ACF innovation grants) and philanthropy. These include:

- **Multi-State Configurable Regulatory Data Platform:** Develop a shared software platform for human-service licensing data. This modular system would allow each state to configure policies, forms, and reporting workflows to its laws, while using a common data framework. It would consolidate data across programs (child welfare licensing, adult care, etc.) and generate standardized reports. Key features: real-time dashboards for inspection scheduling; automated data

entry (reducing paperwork); and APIs for linking to related systems (e.g. child welfare case management, Medicaid). A federal grant could fund the platform’s core architecture and security, with states co-developing their modules. This directly advances EO Sec 2’s call for **modernizing state information systems** and eliminating duplicate reporting.

- **Differential Monitoring Engine:** Build on Dr. Fiene’s methodology by creating a configurable analytics engine that agencies can use to assign risk scores and key indicators for their regulations. The tool would ingest compliance histories and flag high-risk providers for prioritized inspections. It would dynamically adjust inspection frequencies based on performance trends. NARA could partner with states (e.g. Georgia, Washington) to pilot the engine, incorporating their policy feedback. This directly implements “risk-based inspection and oversight prioritization” – a cornerstone of preventative oversight – and embodies the research showing fewer inspections for compliant entities and more focus where needed.
- **Integrated Scorecard and Outcomes Dashboards:** Create an interactive public portal and internal dashboard for child welfare outcomes. Aligned with the EO’s annual state **scorecard**, the system would automatically compile data (from AFCARS, NCANDS, SACWIS, etc.) and produce the mandated metrics (entries, maltreatment response times, placement stability, time to permanency, etc.). Users could compare state performance on these outcome measures and track trends over time. For states, this provides analytical capability to inform continuous improvement (and support reporting to HHS). For the public and policymakers, it fulfills the EO’s transparency intent. A grant could fund data integration and UI design, with NARA advising on uniform definitions. (Several states already publish partial dashboards; this project would extend and standardize those efforts.)
- **Predictive/Preventive Analytics Tools (Child Well-Being Focus):** Develop analytic models that predict support needs or risks *without* punitive labeling. Example use cases: models to identify youth at high risk of placement disruption, or families likely to benefit from preventive services. Casey Family Programs notes that predictive analytics can “identify families who may benefit from early intervention, factors correlated with child safety and placement disruption, and children likely to experience long stays in out-of-home care”. Grants could support building and validating such models using historical and multi-system data (as HHS encourages). Critically, these tools would be designed with ethical guardrails (see below) and aimed at **preventing harm** by targeting supportive interventions. This aligns with the EO’s encouragement to deploy technology for effective funding of supports (e.g. foster parent recruitment).
- **Data Interoperability Framework:** As a cross-cutting initiative, fund work on data standards and APIs to link licensing, child welfare, education, and health systems. For example, connecting foster care license data with student records or Medicaid benefits could ensure youth receive coordinated supports. NARA could develop a “data interoperability toolkit” (standards, sample APIs, governance protocols). This complements the above projects by ensuring new platforms can exchange data with other programs, addressing the legacy issue of siloed systems.

Each initiative emphasizes **configurability and scalability**: states should be able to adopt and adapt tools at their own pace, but within a shared federal/state architecture. Federal funding (HHS/Children’s Bureau, Foundations) is well-suited for such cooperative tech projects, especially since outcomes (safety, permanency) are statute-driven. By packaging these as research-driven pilots (building on NARA’s expertise), NARA can convincingly seek **federal discretionary grants** and philanthropic investments focused on child welfare innovation.

## Alignment to Federal Funding Priorities

These proposals dovetail directly with HHS and philanthropic funding priorities. The Administration’s child welfare agenda now explicitly emphasizes data-driven, cost-effective solutions. For example, the Children’s Bureau routinely funds *Research and Evaluation* projects and *Quality Improvement* initiatives; modernizing CCWIS and enhancing data analytics are central to new planning guidance. Title IV-E waivers and ACF grants can be leveraged to pilot innovative technology (as some states have done for kinship and diversion services). Interagency, the White House Faith and Opportunity Initiative shows

interest in faith-based partnerships, so NARA's projects (which involve both secular and faith-affiliated providers) fit within this expanded framework.

Federal grants often require evidence of public value and robust evaluation. Here, NARA's proposals have measurable objectives (e.g. % reduction in inspection hours, improvement in key outcomes, increased foster family capacity). Moreover, foundations like Casey Family and Annie E. Casey have signaled interest in **predictive analytics and data quality** projects. NARA can cite peer-reviewed research (including Fiene's work and ASPE studies) and state pilot outcomes as "established findings" to support grant applications. Notably, NARA's role as a neutral convener can help states tap blended funding ("braiding" IV-E, TANF, philanthropic funds) for multi-state initiatives. In short, these initiatives check the boxes of federal and philanthropic funders: innovation in child welfare technology, accountability to outcomes, and the promise of long-term cost-efficiency.

## Implementation at State and Federal Levels

**State-Level:** Implementation will involve cross-agency collaboration. Child welfare agencies should form data-governance task forces and partner with licensing divisions to adopt new tools. For example, states might pilot the differential monitoring engine with a subset of licensing staff while training inspectors on risk-based methods. States can also accelerate adoption of CCWIS by following HHS's agile guidance: e.g. updating Advance Planning Documents and modularizing systems (intake, licensing, case management) in phases. Importantly, business processes must be aligned – for instance, allowing e-signatures or mobile inspections so technology gains aren't hampered by outdated rules. State chief data officers or IT offices would coordinate the new data platform development and integration. In all cases, the EO's 180-day timeline motivates quick action plans. NARA can assist by offering best-practice frameworks from its member states and hosting cross-state learning sessions.

**Federal-Level:** HHS must update regulations and issue technical guidance. Under the EO, the Children's Bureau will likely issue sub-regulatory guidance on CCWIS modernization and AI ethics within months. NARA should actively engage in HHS rulemaking – for example, commenting on any proposed changes to reporting requirements or system certification. Collaboration with federal initiatives is also key. For the online "Fostering the Future" platform, NARA might partner with the HHS Innovation Center (National Design Studio) and youth-led nonprofits to co-design features. On the scorecard, NARA could offer to help states standardize definitions ahead of HHS's data publication mandate. At the federal funding level, NARA can coordinate joint grant proposals (e.g. multi-state consortia on licensing modernization) to agencies like ACL, ACF, or even NSF for social science research. By positioning itself as the central knowledge hub, NARA can ensure federal and state efforts stay aligned – for example, it could help states volunteer to pilot ACF's new web-based AFCARS dashboard as noted in recent guidance.

## Risk, Ethics, and Governance (AI & Data Use)

While technology offers great promise, careful guardrails are essential. Experts emphasize **transparency, equity and accountability** in any predictive or AI tools. All analytics must be developed on quality data with diverse stakeholder input. NARA's initiatives will adhere to federal guidelines (e.g. OMB's AI principles) and state privacy laws. For instance, youth input (via advisory panels) should shape platform design so that metrics reflect what matters to youth, not just bureaucratic convenience. Any predictive model will be validated for fairness (ensuring it does *not* embed historical bias) – as one review urges, models must be audited to verify they do not disproportionately misclassify any group.

Governance structures are needed: states should form cross-functional committees (legal, IT, frontline staff) to oversee data initiatives, much like HHS now recommends for AI tools. Questions of accountability must be addressed up front: for example, if a risk model flags a family incorrectly, there must be human review and clear appeal processes. The Youth Law Center reminds us that while predictive analytics can be powerful "tools to target resources," they must be "developed and applied carefully, with strong attention to privacy, transparency, and equity". NARA can help codify best practices (through white papers and training) and advocate for strict data governance. Importantly, technology should *augment* – not replace – human judgment and relationship-building in child welfare. The EO itself implicitly acknowledges this by limiting AI use to specific supports (recruitment/matching/funding) and

not to core case decisions. NARA's role will include promoting ethical guidelines, bias mitigation strategies, and continuous evaluation of any AI tool in use.

## Expected Outcomes and ROI for Public Investment

Investing in these initiatives promises substantial public value. **Efficiency and Cost Savings:** Differential monitoring and smart scheduling can reduce routine inspection workloads. In practice, agencies “*save resources*” by cutting back on inspections of consistently compliant providers. Those freed-up resources are redirected to mentoring, technical assistance, or investigations of higher-risk cases. In financial terms, fewer unnecessary visits and streamlined data entry (via new software) translate to lower operating costs. **Improved Compliance and Safety:** By focusing on core safety regulations and high-risk providers, compliance rates improve. This should lead to fewer health and safety violations in childcare and foster homes over time. Ultimately, better oversight means fewer child injuries, neglect cases and placement disruptions – all cited EO goals. **Better Child Outcomes:** Enhanced data and analytics help identify at-risk families earlier and match children to stable placements more effectively. Over time, this can shorten foster care stays and increase permanency rates (e.g. timely reunification or adoption), yielding societal savings in services and preventing the high costs associated with aging out (homelessness, public assistance). Indeed, current statistics underscore the stakes: of the ~85,000 youth aging out of care each year, a quarter become homeless and half lack stable employment by age 25. Even modest improvements in those outcomes (driven by better services matched via the EO's platform) would justify the investment many times over.

Empirical studies support these expectations. For example, one analysis notes that focusing inspections on high-risk areas “promises enhanced risk management” and a “*more proactive approach to preventing harm*”. The same report finds that clear focus on key rules leads to greater understanding and adherence by providers, which improves service quality. Moreover, good data collection and continuous quality improvement—principles of these initiatives—are universally cited as prerequisites for sustainable program success. As a board- and funder-level audience, it should be clear: supporting these projects aligns with responsible stewardship of public funds. They target measurable improvements (efficiency metrics and child welfare outcomes) and leverage proven models (differential monitoring) to reduce waste. Any competitive federal or foundation grant will require such a value proposition, and here the evidence is compelling.

## Conclusion and Strategic Recommendation to the Board

The “*Fostering the Future*” EO presents a historic opportunity for NARA to catalyze modernization of child welfare oversight and transition supports. NARA's mission, expertise and network position it perfectly to be a national convener and implementer. We recommend the board approve a strategic initiative to develop grant proposals and partnerships around the following pillars: a multi-state data platform, differential monitoring engines, scorecard dashboards, predictive analytics tools, and interoperability solutions. These projects advance the EO's Section 2 and 3 priorities (data modernization, AI/tech for recruitment/matching, foster youth supports) and align with HHS's and philanthropy's funding goals.

We further recommend establishing a project steering committee (with members from NARA leadership, state licensors, IT experts, and partner organizations) to flesh out project plans and identify target funding programs. Key immediate steps include: reaching out to the Children's Bureau and the Administration for Children & Families to signal NARA's interest in supporting the EO implementation, and convening a stakeholder workshop on differential monitoring and technology needs.

By acting now, NARA can leverage federal momentum and bring its vision of “Consumer Protection through Prevention” into concrete practice. The board's endorsement and investment in these efforts will position NARA as a leader in child welfare innovation, deliver better safety and outcomes for children, and ensure that public and philanthropic dollars drive real, measurable improvements in the foster care

# Bibliography

## Executive Order and Federal Sources

- Executive Office of the President. *Fostering the Future for American Children and Families*. Executive Order, November 13, 2025.
  - U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), Children's Bureau. *Child Welfare Information Systems (CCWIS) Guidance and Policy Materials*.
  - U.S. Government Accountability Office (GAO). *Child Welfare: Improvements Needed to Better Measure and Monitor Outcomes for Youth in Foster Care*.
  - U.S. Department of Health and Human Services, Office of Inspector General (OIG). *Data Quality and Oversight in Child Welfare Programs*.
- 

## Differential Monitoring and Regulatory Science

- Fiene, Richard. *Differential Monitoring in Child Care Licensing: Key Indicators, Risk Assessment, and Regulatory Efficiency*.
  - Fiene, Richard. *Regulatory Efficiency and the Key Indicator Approach to Child Care Licensing*.
  - National Association for Regulatory Administration (NARA). *Differential Monitoring: Research, Tools, and Implementation Resources*.
  - National Association for Regulatory Administration (NARA). *Consumer Protection Through Prevention: Regulatory Science in Human Care Services*.
- 

## State and Applied Research Examples

- Washington State Department of Children, Youth, and Families. *Risk-Based and Abbreviated Inspection Models in Child Care Licensing*.
  - Georgia Department of Early Care and Learning. *Implementation of Differential Monitoring in Child Care Licensing*.
- 

## Predictive Analytics, Data Modernization, and Ethics

- Casey Family Programs. *Predictive Analytics and Child Welfare Decision-Making*.
  - Annie E. Casey Foundation. *Using Data to Improve Child Welfare Outcomes*.
  - Youth Law Center. *Artificial Intelligence and Predictive Analytics in Child Welfare: Opportunities and Risks*.
  - Office of Management and Budget (OMB). *Guidance on the Use of Artificial Intelligence in Federal Programs*.
- 

## Youth Outcomes and Transition from Foster Care

- Courtney, Mark E., et al. *Midwest Evaluation of the Adult Functioning of Former Foster Youth*.
- National Youth in Transition Database (NYTD). *Outcomes for Youth Transitioning Out of Foster Care*.
- Chapin Hall at the University of Chicago. *Youth Aging Out of Foster Care: Challenges and Opportunities*.

---

## **Data Governance and Continuous Quality Improvement**

- HHS Administration for Children and Families. *Continuous Quality Improvement (CQI) Framework for Child Welfare.*
- Pew Charitable Trusts. *Modernizing Child Welfare Data Systems for Better Outcomes.*