



SAFE STRONG SUPPORTIVE

casey family programs

July 30, 2018

SAFE CHILDREN STRONG FAMILIES SUPPORTIVE COMMUNITIES SAFE CHILDREN STRONG FAMILIES SUPPORTIVE COMMUNITIES SAFE CHILDREN STRONG FAMILIES SUPPORTIVE COMMUNITIES SAFE CHILDREN STRONG FAMILIES SUPPORTIVE COMMUNITIES SAFE CHILDREN STRONG FAMILIES SUPPORTIVE COMMUNITIES

safe children | strong families | supportive communities

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Presenters

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Today's session is....

- The first in a 3-part series designed to demystify child welfare funding streams.
- Educational and informational:
 - History
 - Current Context
 - Existing Funding Streams
 - New Opportunities

Why address CW financing?

- ✓ Need to understand history and current financing landscape of child welfare, to leverage existing and upcoming opportunities, and to identify additional changes that may be needed to achieve positive outcomes for children and families served by child welfare.
- ✓ Need to engage in detailed, nuanced conversations and decision-making to support efficient and effective use of available funds to meet the needs of children and families.

Observations & Feedback from the Field

1. Observations

- ❖ Hennepin County
- ❖ Los Angeles County

2. Feedback from Waiver jurisdictions

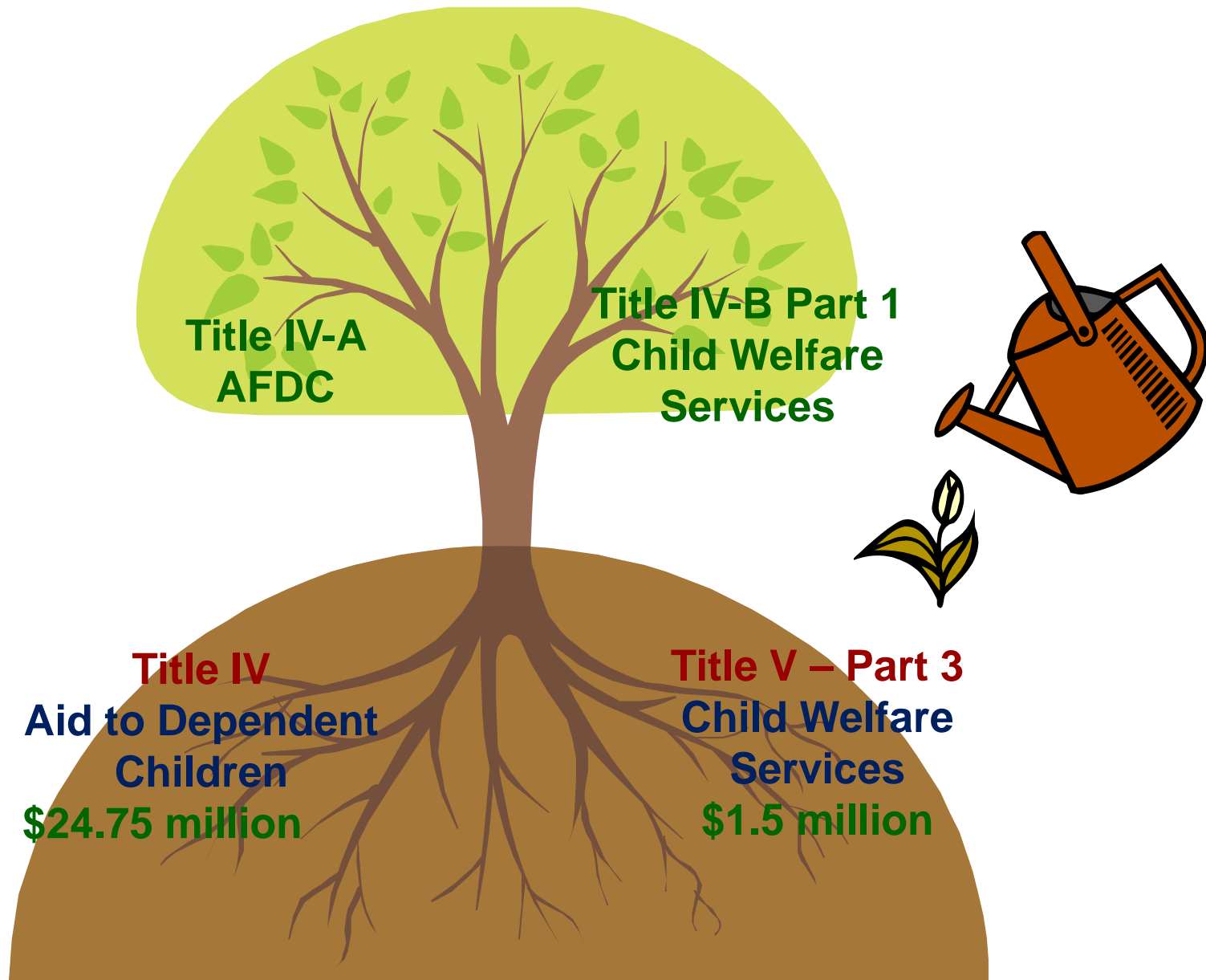
3. Implications for Family First Prevention Services Act (FFPSA)

The Plan

- **Part 1** - A little history, introduction to child welfare funding, and Title IV-E basics.
- **Part 2** – Activities using your knowledge of child welfare funding and a deeper look at variations among jurisdictions.
- **Part 3** – Even deeper, including waiver transitioning and funding implications of the Family First Prevention Services Act (FFPSA) for all jurisdictions.

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HOW WE GOT HERE: *A LITTLE HISTORY*



FOUNDATION

The Flemming Rule



In 1960, in what became known as the “**Louisiana Incident**,” Louisiana expelled 23,000 children from its welfare rolls because it was determined that their mothers had borne a child outside of marriage.



Although similar actions had occurred in other states, the Louisiana Incident prompted HEW, which administered ADC, to implement the Flemming Rule. Named after HEW Secretary Arthur Flemming, the rule declared that states could not simply ignore the needs of children living in households deemed to be unsuitable. Instead, the ruling required states to either: **(1) provide appropriate services to make the home suitable OR (2) move the child to a suitable placement while continuing to provide financial support on behalf of the child.**

The Title IV-E “Look-Back”

1960

Flemming
Rule

1961

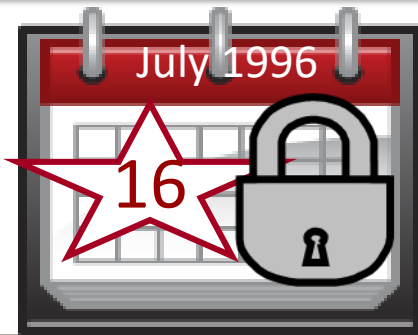
AFDC-FC

1980

IV-E FC

1996

AFDC
Repealed



But
The ghost
of AFDC
remains!



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CHILD WELFARE FUNDING SOURCES

THE SOCIAL SECURITY ACT

Title I	Grants to States for Old-Age Assistance for the Aged
Title II	Federal Old-Age, Survivors, and Disability Insurance Benefits
Title III	Grants to States for Unemployment Compensation Administration
Title IV	Grants to States for Aid and Services to Needy Families with Children and for Child-Welfare Services
Title V	Maternal and Child Health Services Block Grant
Title VI	Temporary State Fiscal Relief
Title VII	Administration
Title VIII	Special Benefits for Certain World War II Veterans
Title IX	Miscellaneous Provisions Relating to Employment Security
Title X	Grants to States for Aid to the Blind
Title XI	General Provisions, Peer Review, and Administrative Simplification

Title XII	Advances to State Unemployment Funds
Title XIII	Reconversion Unemployment Benefits for Seamen
Title XIV	Grants to States for Aid to the Permanently and Totally Disabled
Title XV	Unemployment Compensation for Federal Employees
Title XVI	Grants to States for Aid to the Aged, Blind, or Disabled
Title XVI	Supplemental Security Income for the Aged, Blind, and Disabled
Title XVII	Grants for Planning Comprehensive Action to Combat Mental Retardation
Title XVIII	Health Insurance for the Aged and Disabled
Title XIX	Grants to States for Medical Assistance Programs
Title XX	Block Grants to States for Social Services
Title XXI	State Children's Health Insurance Program

TITLE IV-E

Part A	Block Grants to States for Temporary Assistance for Needy Families [TANF] (formerly Aid to Families with Dependent Children [AFDC] repealed in 1996)
Part B	Child and Family Services
Part C	Repealed
Part D	Child Support & Establishment of Paternity
Part E	Federal Payments for Foster Care, and Adoption Assistance <u>Prevention, and Permanency</u> (as amended by the Family First Prevention Services Act of 2018)
Part F	Repealed

DEDICATED FUNDS

- **Title IV-B**
 - **Subpart 1** – Stephanie Tubbs Jones Child Welfare Services Program (1935)
 - **Subpart 2** – Promoting Safe and Stable Families (1993)
- **CAPTA** and other programs (1974)
- **Title IV-E (1960/1980)**
 - Foster Care
 - Adoption Assistance
 - Guardianship Assistance
 - Chafee (Successful Transitions to Adulthood)

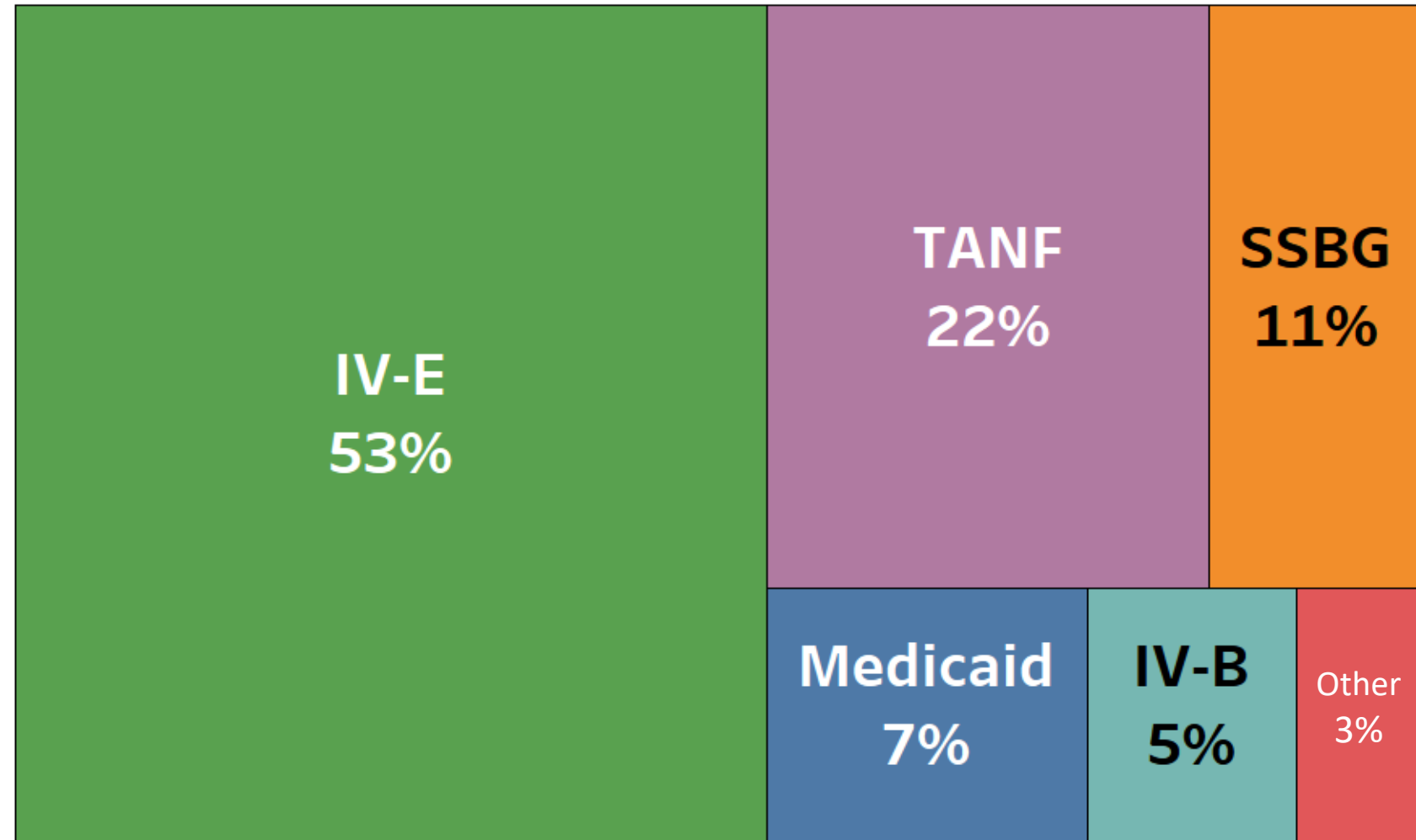


NON-DEDICATED FUNDS

- **TANF** (Temporary Assistance to Needy Families)
- **SSBG** (Social Services Block Grant)
- **Medicaid**
- **SSI/SSDI**
- **State Funding**
(beyond matching requirements)



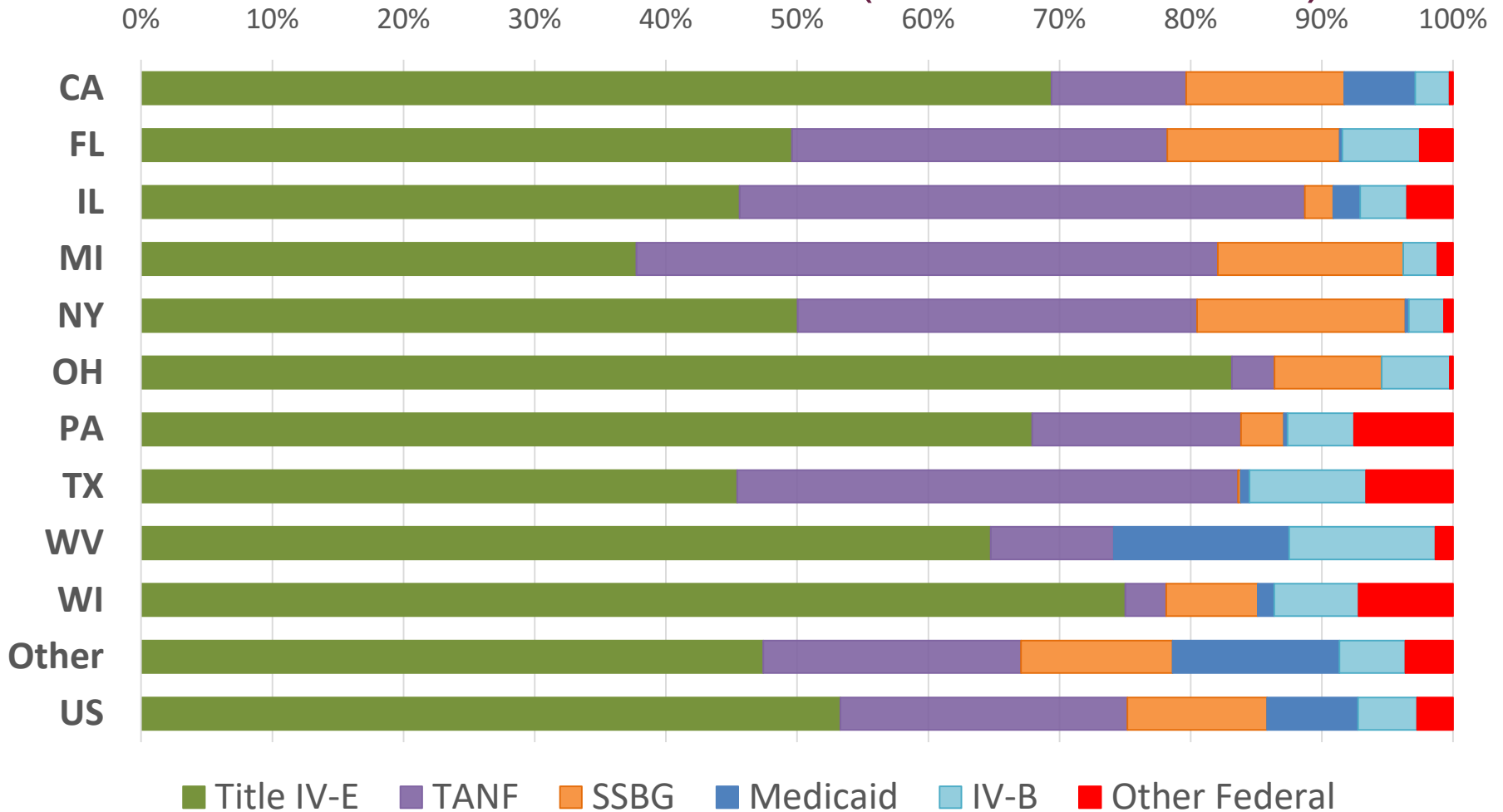
U.S. Federal Child Welfare Spending: SFY 2014 (\$12.8 billion)



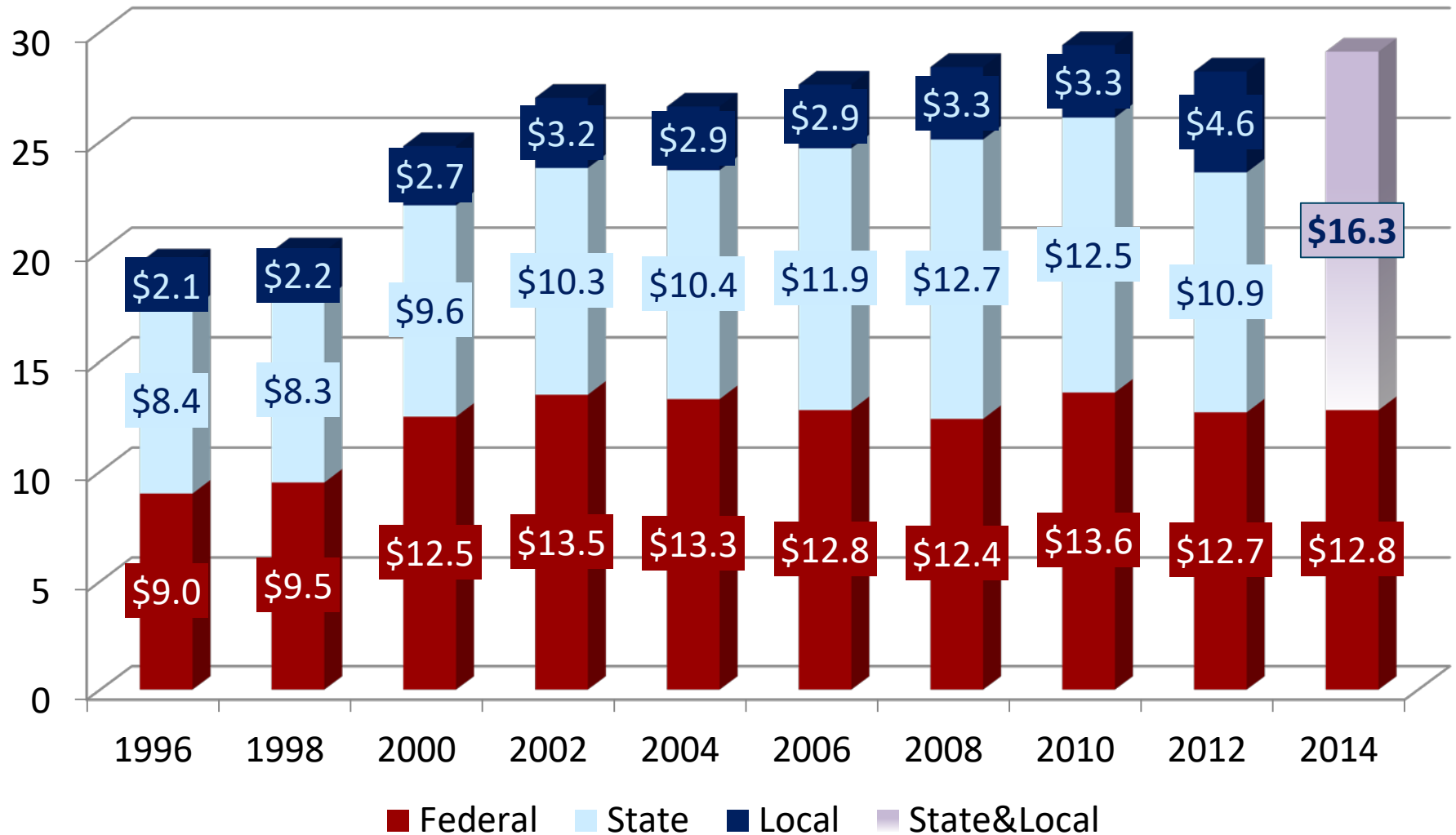
Source:
Child
Trends, *Child
welfare
financing
SFY 2014: A
Survey of
federal,
state and
local
expenditures
(2016)*

Federal Child Welfare Spending

SFY 2014 – Selected States (Child Trends 2016)



Federal, State & Local CW Spending

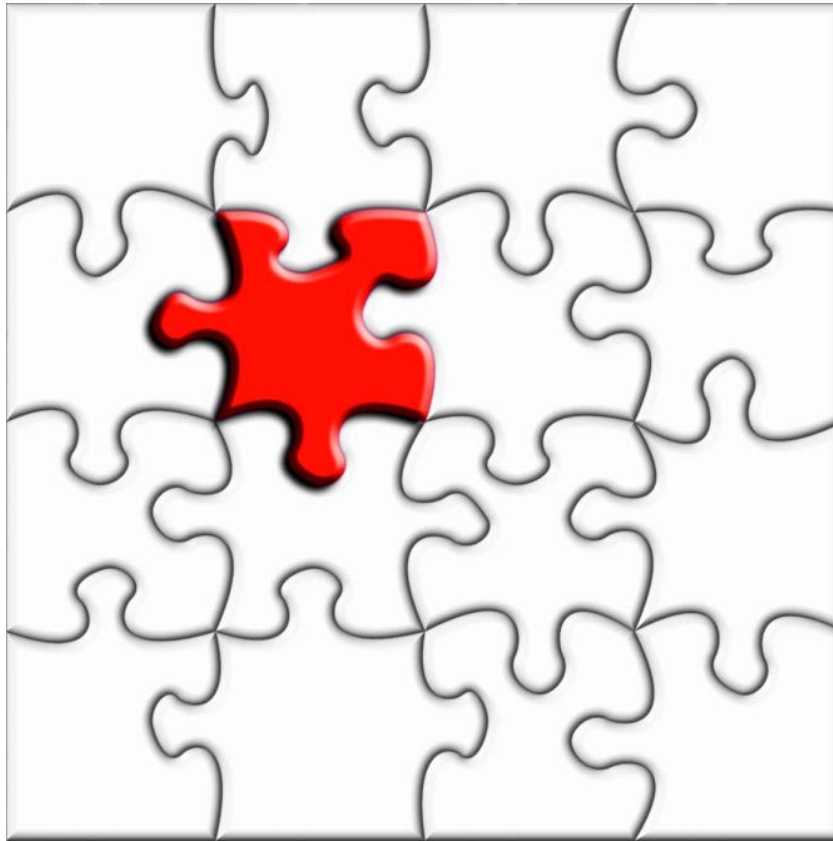


*\$=billions (1996 – 2010 in 2010 adjusted dollars;
2012 & 2014 in nominal dollars)*

Source: Child Trends, Child welfare financing surveys of 2012, 2014 & 2016 (SFY 2010, 2012 & 2014 Expenditures)

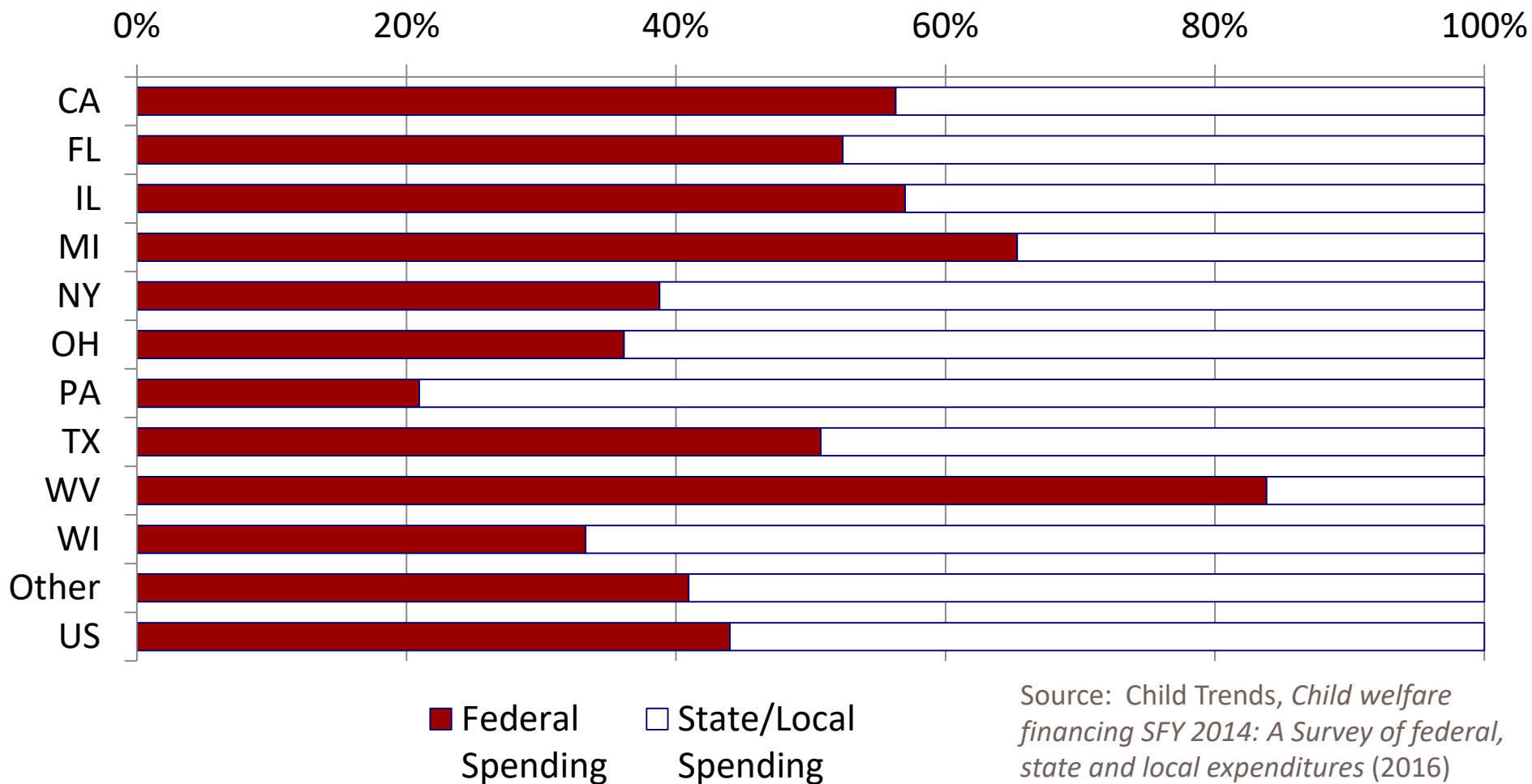
FEDERAL FUNDS

One Piece of the Puzzle



STATE/LOCAL SPENDING

Selected States



STATE/LOCAL FUNDS

Some common factors in the amount of nonfederal funds used in child welfare

- ✓ State's FMAP
- ✓ Penetration rate
- ✓ 1996 AFDC Standard of Need
- ✓ Caseload composition
- ✓ Array of services
- ✓ State decisions to commit funds beyond federal matching or MOE requirements

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A CLOSER
LOOK



IV-E

Basic Requirements of IV-E Foster Care

To be eligible under Title IV-E,
expenditures must be

- On behalf of an **eligible child**:
 - Who meets certain removal and placement standards (or is a “candidate”), and
 - Who’s family at the time of removal would have been eligible for AFDC on July 16, 1996.
- Who resides in an **eligible setting**:
 - A licensed family foster home, or
 - A licensed child care institution.

Removal & Placement Requirements

[SSA Sec. 472(2)]

The removal and foster care placement of a child must be in accordance with—

- a **voluntary placement** agreement entered into by a parent or legal guardian of the child (a *specified relative* in AFDC terminology), or
- a **judicial determination** to the effect that continuation in the home from which removed would be **contrary to the welfare** of the child and that **reasonable efforts** have been made.

Removal & Placement (2)

The child's **placement and care** are the responsibility of

- The State **IV-E Agency**, or
- Any other **public agency** with which the State IV-E agency has an agreement, and
- An Indian Tribe or tribal organization or a tribal consortium with an **approved IV-E plan**, and

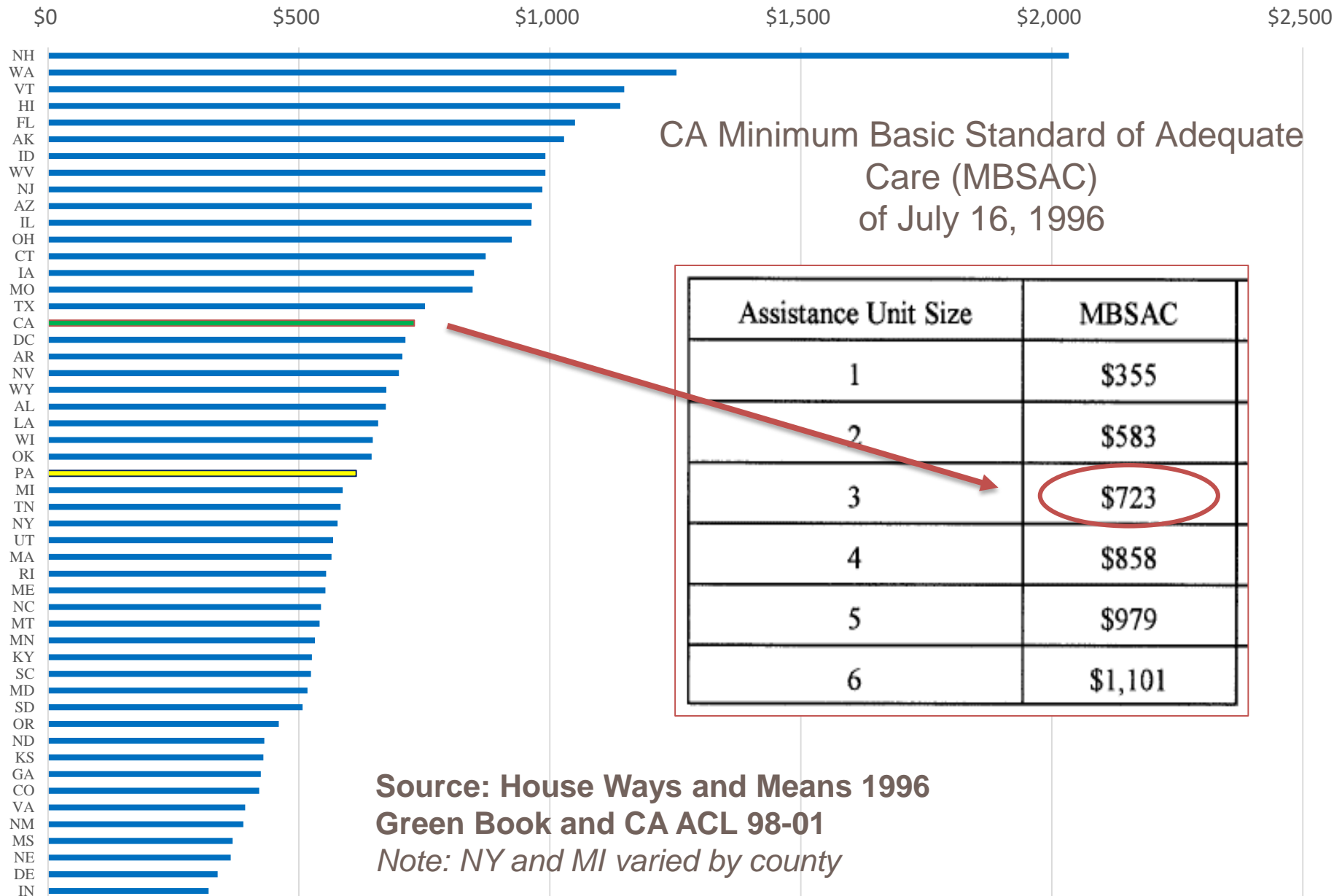
The child has been placed in a foster family home or a child care institution.

FFPSA adds provisions related to children with a parent in a licensed residential family-based treatment facility for substance abuse.

Placement and Care [45 CFR 1355.20]

- Foster care means 24-hour substitute care for children placed away from their parents or guardians and for whom the State agency has **placement and care** responsibility.
- Including but not limited to: placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, child care institutions, and preadoptive homes.
- A child is in foster care in accordance with this definition **regardless of whether the foster care facility is licensed and payments are made** by the State or local agency for the care of the child, whether adoption subsidy payments are being made prior to the finalization of an adoption, or whether there is Federal matching of any payments made.

1996 AFDC Need Standard (Family Size of 3)



Foster Care Funding Categories

- Maintenance Payments
- “Administration”
- SACWIS
- Training
- Demonstrations (until 10/1/2019)
- Will be expanded under FFPSA

Foster Care Maintenance

[45 CFR 1355.20]

(Cost times FMAP for IV-E Eligible Children in IV-E Eligible Settings)

- Payments to cover cost of (and cost of providing) **food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, reasonable travel to the child's home for visitation, and reasonable travel for the child to remain in the school in which the child is enrolled at the time of placement.**
- In the case of **institutional care**, such term shall include the **reasonable costs of administration and operation** of such institution as are necessarily required to provide the items described in the preceding sentence

Separate FMAP for Maintenance paid under State-Tribal Agreements

Foster Care Administration

Penetration Rate X 50% with some *exceptions

- In-Placement Administration
 - Case Planning and Management
 - Eligibility Determinations*(full 50%)
 - Provider Management
 - Agency Management
- Pre-Placement (Candidate)
- FFPSA Administration costs related to prevention will not be subject to AFDC financial eligibility.
- In-Placement Administration is still allowable for those placements for which Maintenance reimbursement is prohibited after 14 days under FFPSA.

But...

Federal Regulations **[45 CFR 1355.60(c)]** specify that allowable administrative costs **do not include** the costs of social services provided to the child, the child's family or foster family which provide counseling or treatment to ameliorate or remedy personal problems, behaviors or home conditions.

FFPSA will permit claiming for specified prevention services for candidates.

Administrative Costs for Candidates

[SSA – Sec. 472(i)]

2) in the case of any other child who is **potentially eligible** for benefits under a State plan approved under this part and at **imminent risk** of removal from the home, only if—

(A) reasonable efforts... are being made to prevent the need for, or if necessary to pursue, removal of the child from the home; and

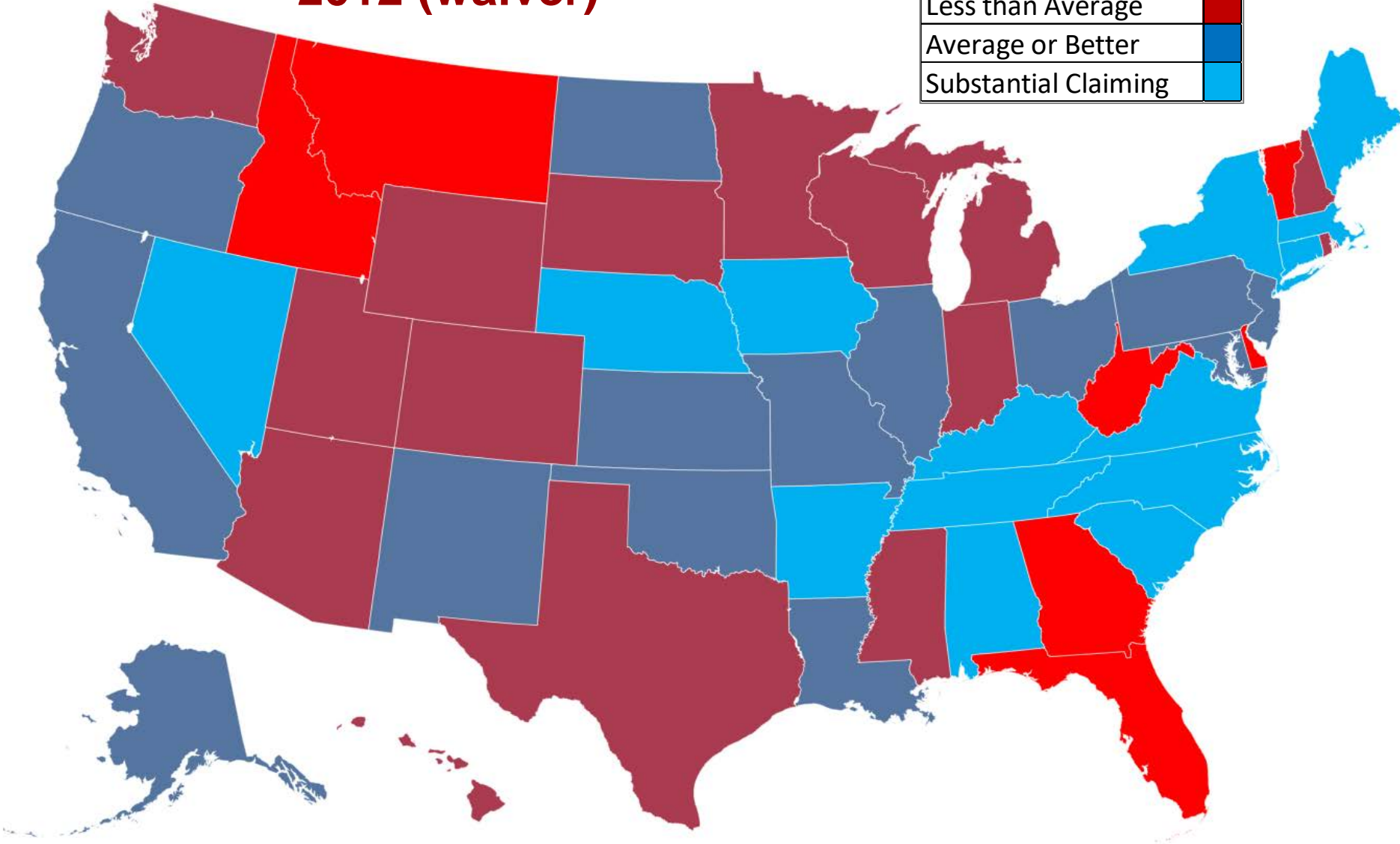
(B) the State agency has made, not less often than every 6 months, a determination (or redetermination) as to whether the child **remains at imminent risk** of removal from the home.

FFPSA uses slightly different terminology (imminent risk of entry or re-entry to foster care) but concept is consistent

Past Candidacy Claiming

Based on 2016 (non-waiver) or
2012 (waiver)

Past Candidacy Claiming	
Little or No Claiming	Red
Less than Average	Dark Red
Average or Better	Blue
Substantial Claiming	Light Blue



Federal IV-E Payments to States

SSA - Sec. 474, as amended by FFPSA

1. Foster Care Maintenance Payments (FMAP)
2. Adoption Assistance Payments (FMAP)
3. Administrative Expenditures
 - Training (75%)
 - Automated Systems (50%)
 - Remaining expenditures for the proper and efficient administration of the State Plan (50%)
4. Chafee and ETV Expenditures (80% capped)
5. Kinship Guardianship Assistance (FMAP)
- 6. Prevention Expenditures**
 - **Prevention Services Expenditures (50%)**
 - **Prevention Services Administration and Training (50%)**
- 7. Kinship Navigator Expenditures (50%)**

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QUESTIONS?
COMMENTS?