



# Nuts & Bolts

## *Child Welfare Financing 101*

# 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



# 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)

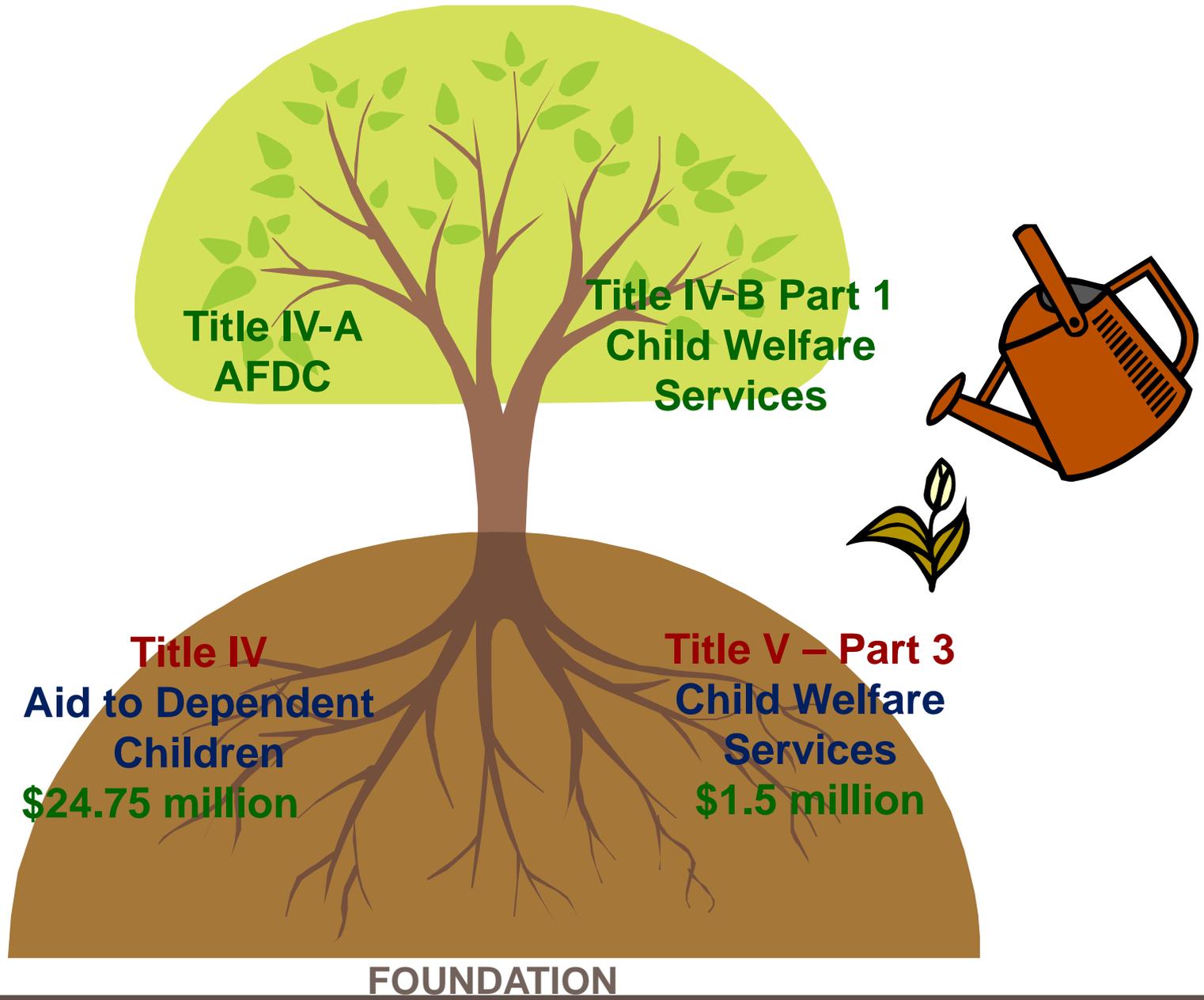


# The Plan

- **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.

# SAFE STRONG SUPPORTIVE

## HOW WE GOT HERE: *A LITTLE HISTORY*



# 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

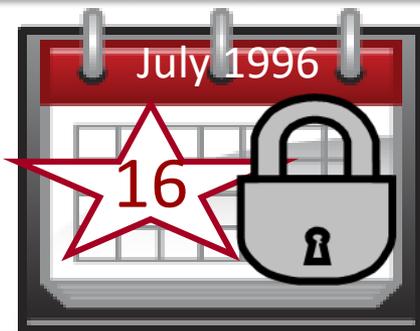
AFDC-FC

1980

IV-E FC

1996

AFDC  
Repealed



But  
The ghost  
of AFDC  
remains!



SAFE STRONG SUPPORTIVE

CHILD WELFARE  
FUNDING SOURCES

# THE SOCIAL SECURITY ACT

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

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

# TITLE IV-E

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

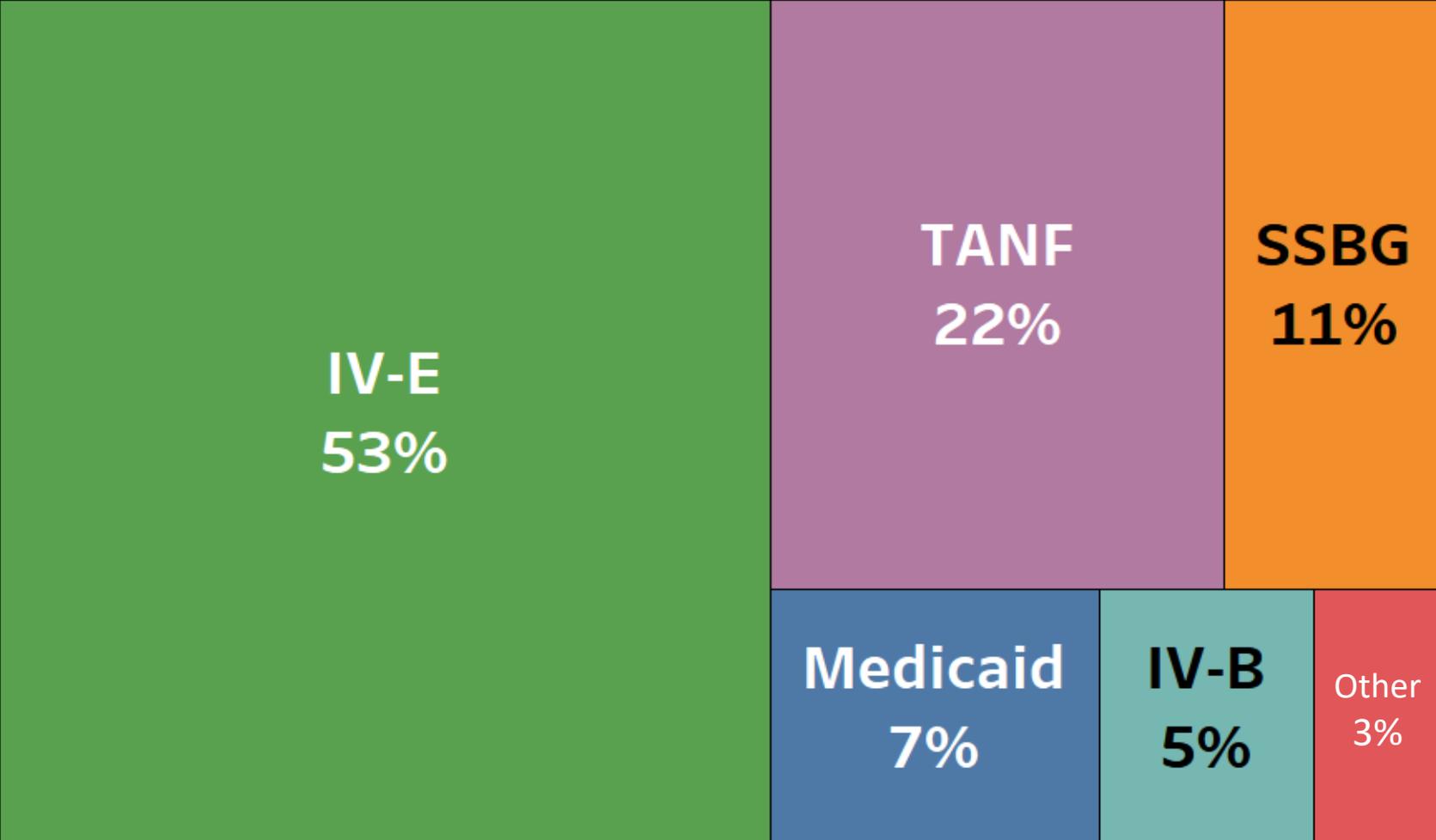


# NON-DEDICATED FUNDS

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



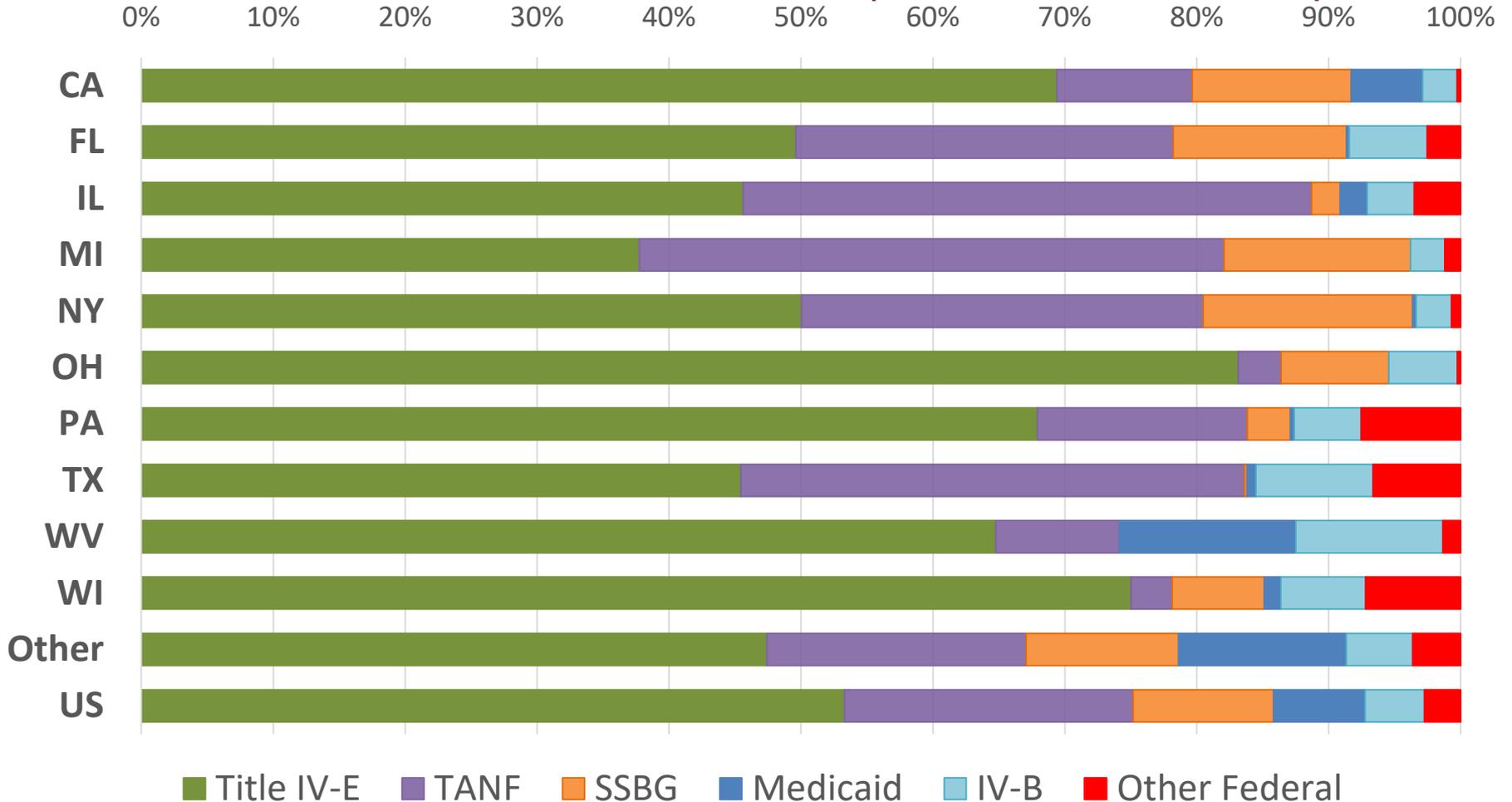
# U.S. Federal Child Welfare Spending: SFY 2014 (\$12.8 billion)



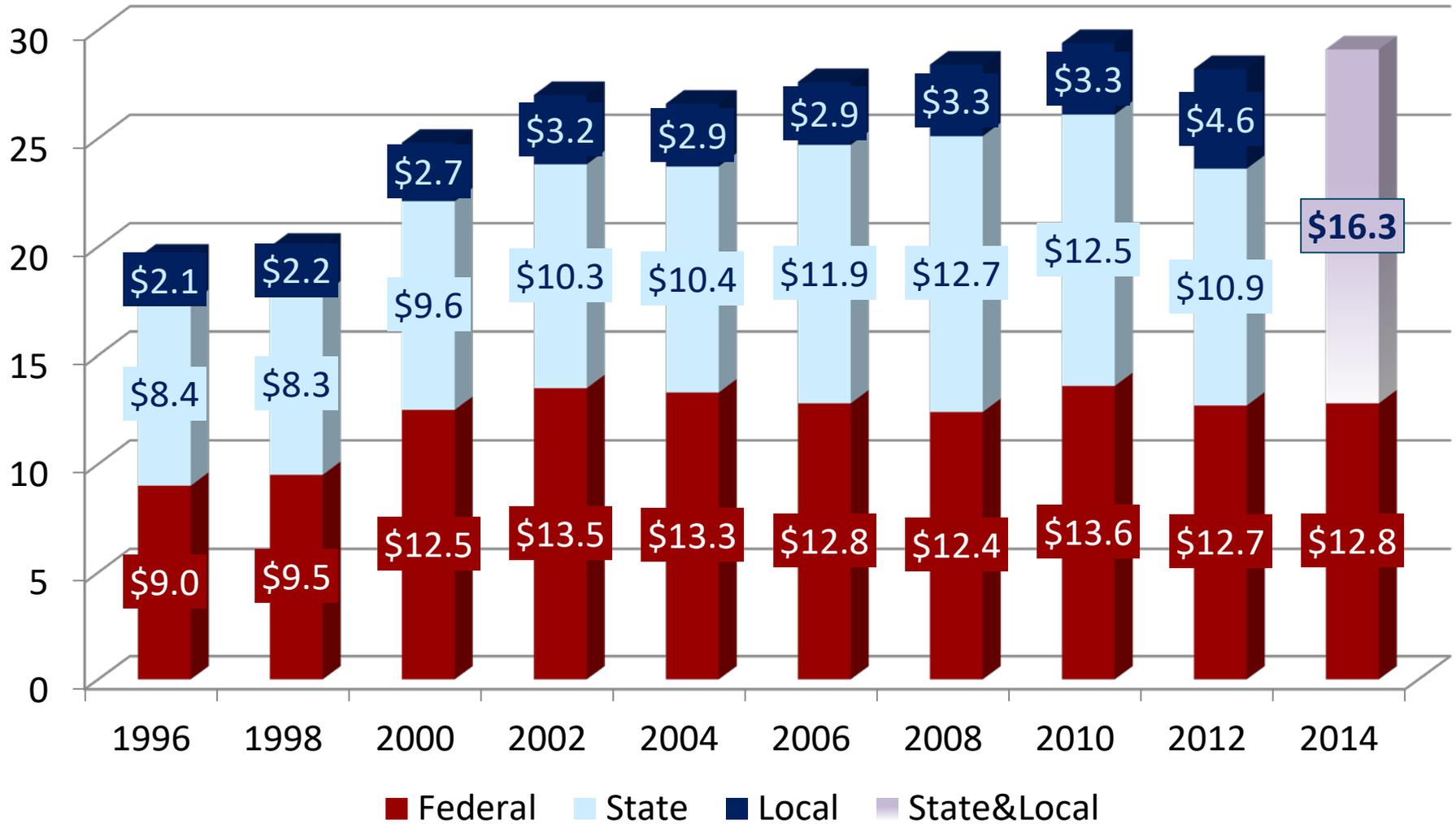
Source:  
Child Trends, *Child welfare financing SFY 2014: A Survey of federal, state and local expenditures* (2016)

# Federal Child Welfare Spending

SFY 2014 – Selected States (Child Trends 2016)



# Federal, State & Local CW Spending

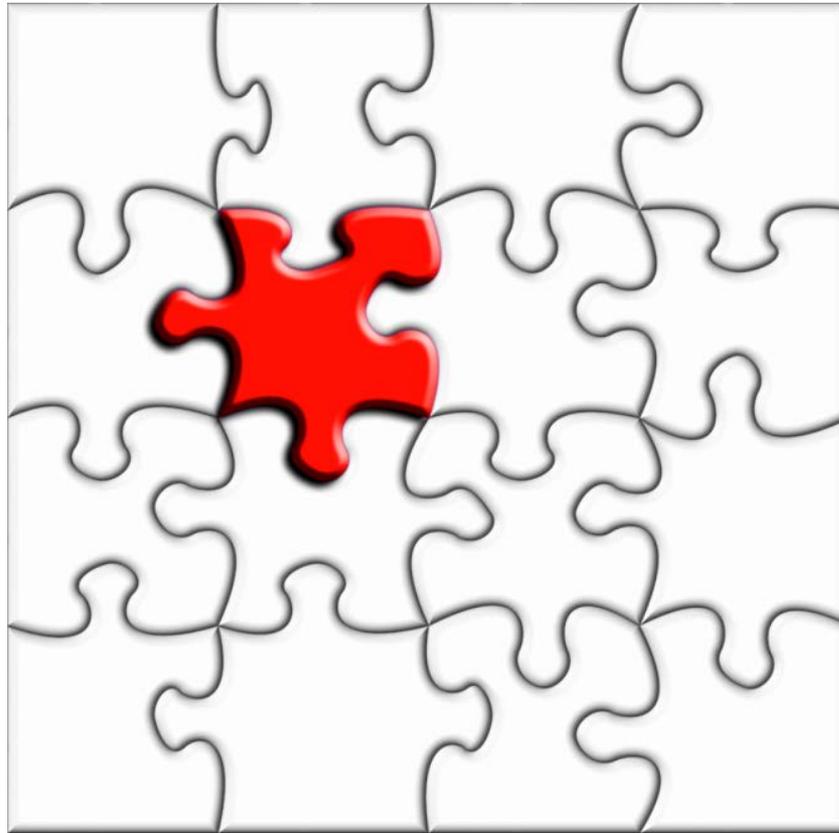


\$=billions (1996 – 2010 in 2010 adjusted dollars; 2012 & 2014 in nominal dollars)

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

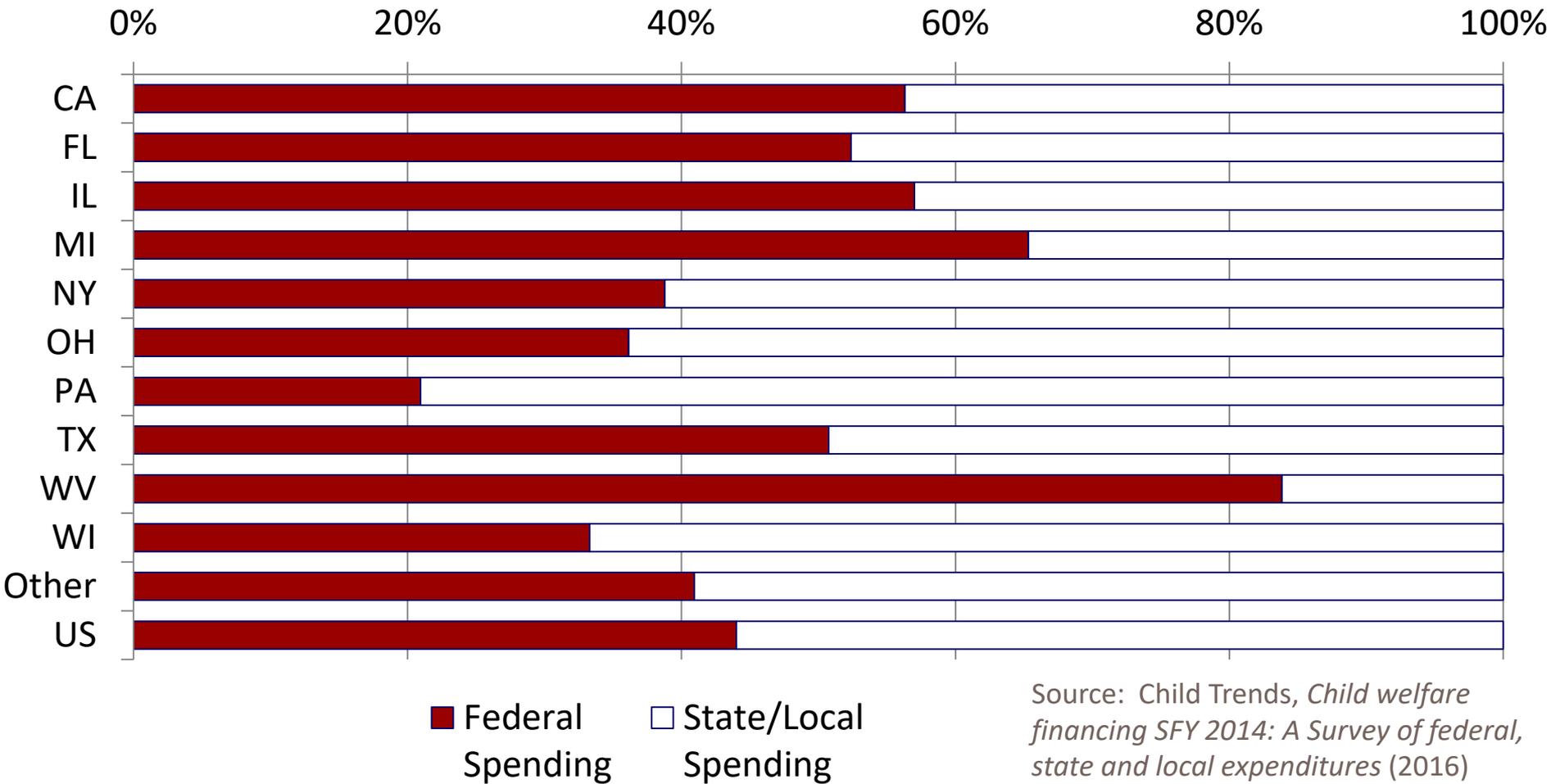
# FEDERAL FUNDS

## One Piece of the Puzzle



# STATE/LOCAL SPENDING

## Selected States



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

# 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

# SAFE STRONG SUPPORTIVE

A CLOSER  
LOOK



# 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*

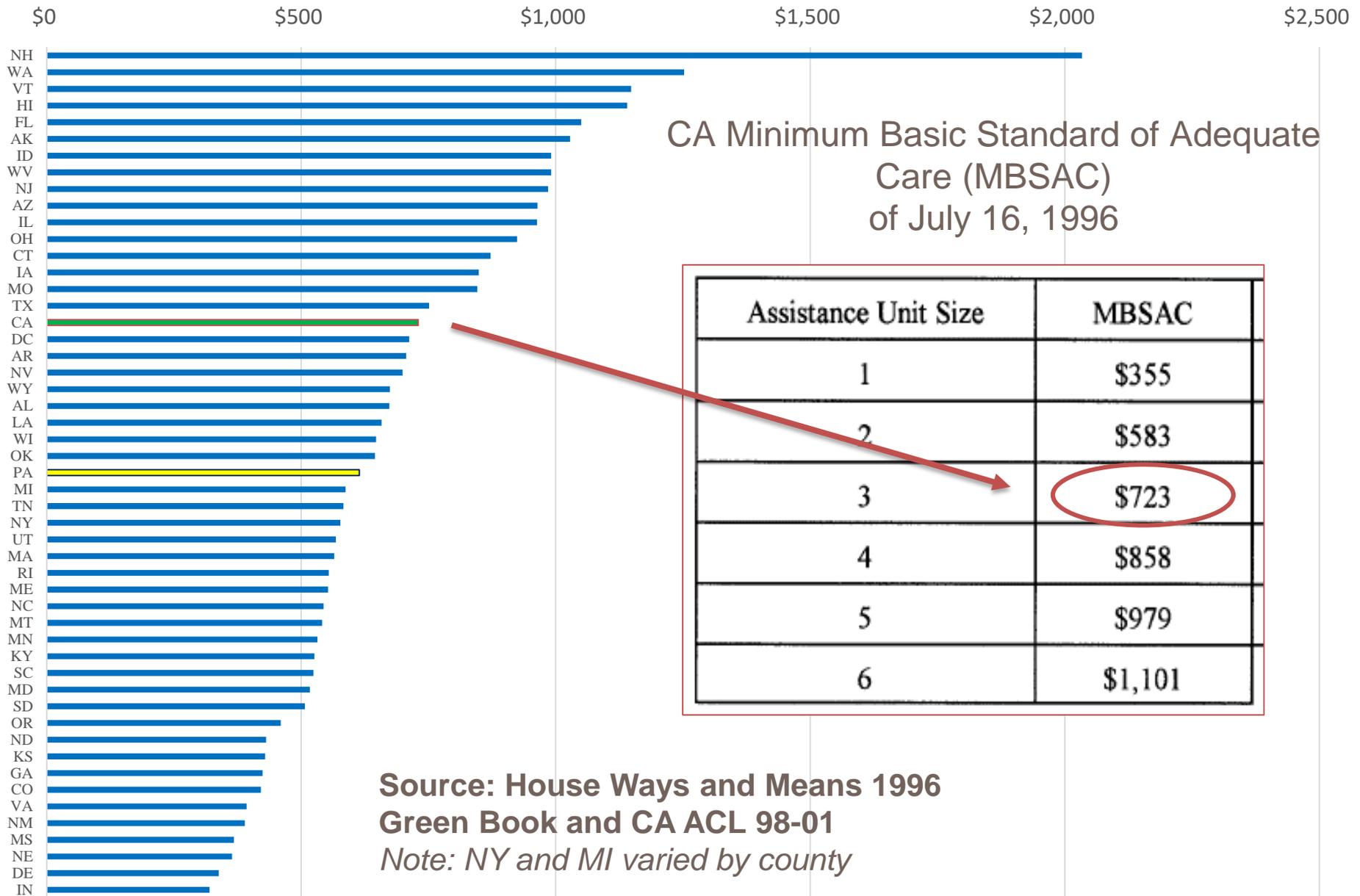
The child has been placed in a foster family home or a child care institution.

*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)



Source: House Ways and Means 1996  
 Green Book and CA ACL 98-01  
 Note: NY and MI varied by county

# 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

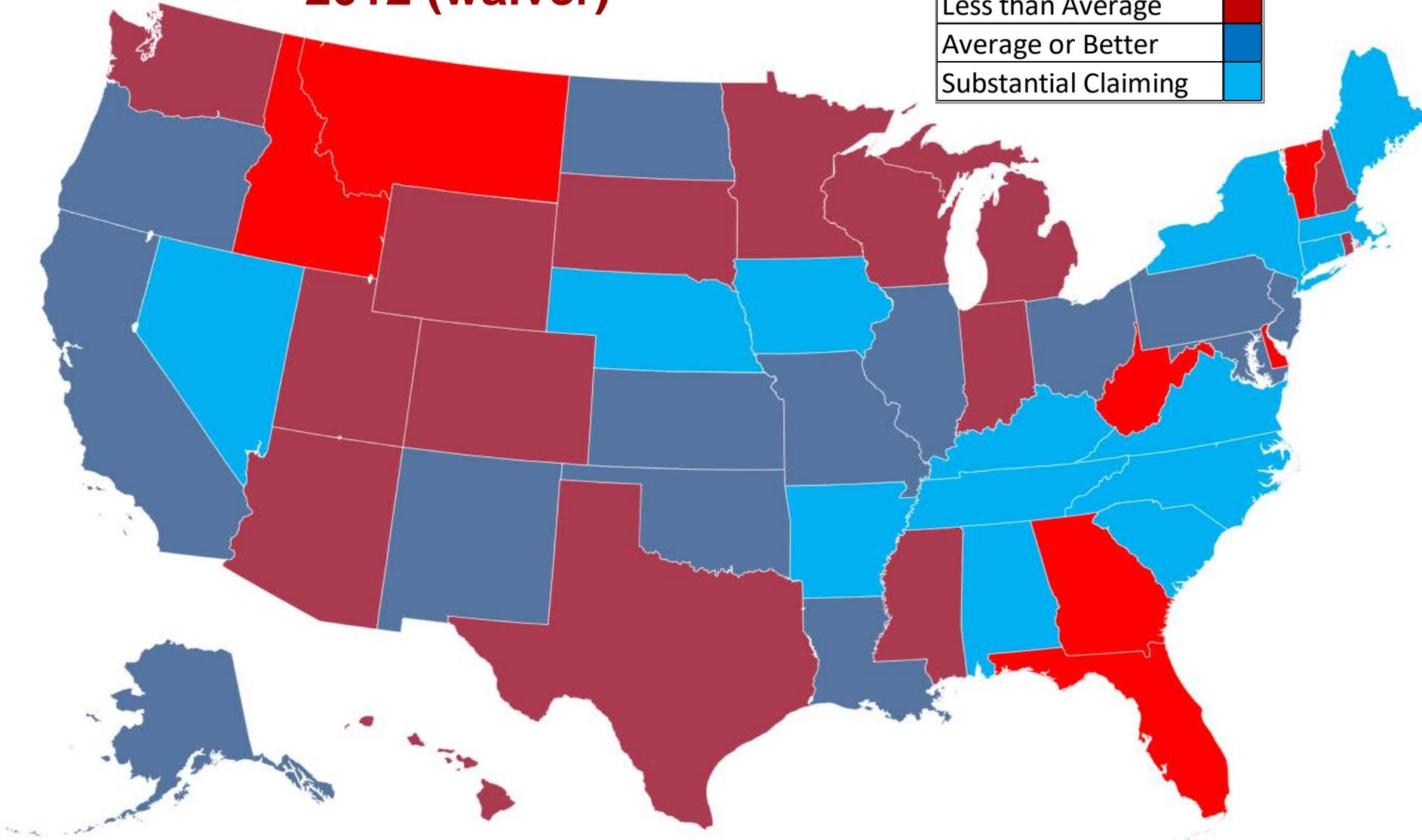
(B) the State agency has made, not less often than every 6 months, a determination (or redetermination) as to whether the child **remains at imminent risk** of removal from the home.

*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	Dark 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%)**



# SAFE STRONG SUPPORTIVE

QUESTIONS?  
COMMENTS?