Funding Services In Child Welfare (CW)

Unraveling the Funding Mystery

...or maybe not...
Funding Overview for CW

- CW Block Allocation to Counties
  - $103m Fed, $157m State GF, $64m County, $14m reappropriated = $337m

- Core Services
  - $11.5m Fed, $28m State GF, $5m County = $45m

- Promoting Safe and Stable Families (PSSF)
  - $3.3m Fed, <$100k State, $1m County = $4.3m

- Collaborative Management
  - $3.5m
CW funds are made up of various funding streams.
“Block”

- Sub Adoption Payment Costs
- Out of Home Costs
- Program Costs
Core Services

- **Home Based Intervention:** therapeutic or concrete services, or crisis intervention
- **Intensive Family Therapy**
- **Life Skills:** Services provided primarily in the home that teach household management, effectively accessing community resources, parenting techniques, and family conflict management.
- **Day Treatment:** Comprehensive, highly structured services that provide education, and therapy to children/families.
- **Sexual Abuse Treatment:** For sexual abuse victimization, sexual dysfunction, sexual abuse perpetration
- **Special Economic Assistance:** Emergency financial assistance of not more that $400 per family per year
- **Mental Health Services**
- **Substance Abuse Treatment Services**
- **Parenting Time (Visitation)**
- **County Designed Programs**
Core Services

- $44.8 million- Largely state and local dollars.
- IV-A (TANF) $19.5 million in the Long Bill to county “Block Grants” and Core Funding.
- Qualifications (Purpose):
  - Imminent risk of placement
  - Return home from placement
  - Prevent a higher level of placement
- State Approved Plan for expenditures
- Counties contract funds with vendors based upon their state plan (this “ties up” funding, although there is some flexibility)
Accessing Core Services

- Work with the county to identify *gaps in services* which could be put into a county’s plan. Note:
  - Each provider requires a contract which often contains numerous requirements
  - When a new contract is developed this requires multiple changes (such as amending contracts with other providers)

- Work with counties and the Court to get for clients:
  - The right services
  - The right sequence (timing) of services
  - The right provider (e.g. meeting cultural needs)

- SEA Funds may be requested for family economic emergencies (although the funds are limited in availability to the county and also in the amount to the client-- $400)
Each county receiving PSSF (34 total) have their own plan based upon their community needs.

PSSF provides a variety of family preservation and support services.

Check with the local county, as there may be flexible funding for unique family/child needs (related to family preservation).
Performance Based Collaborative Management Incentives

- Not all counties participate.
- Each county develops a plan of targeted clients.
- Potential for flexible funding with available dollars.
Federal Funding
Social Security Law: Title IV

- **Part A**—Block Grants to States for Temporary Assistance for Needy Families (TANF)
  
  CO: $128.7m Federal, $22.2m County Share

- **Part B**—Child and Family Services
  
  CO: $7.4m Federal (equal match from County/State Funds)

- **Part D**—Child Support and Establishment of Paternity
  
  Not part of direct Child Welfare Funding, but Foster Care Fees are captured to offset placement costs

- **Part E**—Federal Payments for Foster Care and Adoption Assistance
  
  CO: $73.7m Federal (equal match from County and State)
Title IV-E

**Purpose:** Reimbursement for foster care, transitional living arrangements, and subsidized adoption payments.

**Eligibility:** A child is in placement AND TANF eligible “as of July 1996”
Title IV-E

Basic Criteria and Formula for Determining IV-E Eligibility:

- Under 18, Resident of Colorado, and Citizen or Qualified Alien
- Court Order or Voluntary Agreement (both containing specific language)
- Financial Calculation— a family of four could make less than $10,000 and NOT be IV-E eligible.
- Around 50% of Children in Placement are IV-E eligible— thus in general, these children come from families in extreme poverty.
IV-E-- A Failing Federal Program

- Because the program is based upon 1996 standards, states may be receiving proportionately less funding for placements.
- Casey Family Programs: In 2000, 68% of children in placements were eligible. In 2006 in 57% were eligible.

Below is a graph showing Poverty Levels for a Family of Four and an Approximate IV-E Eligibility Level.

The state passed along funding cuts to counties for child welfare mid year, last year, due to IV-E collections not meeting expectations.
IV-E-- A Failing Federal Program

- Child Welfare: “Good practice” to preserve families when safe.
- IV-E funding is not flexible: Drawn down *only* through eligible children in placement and subsidized adoption.
- Waivers for flexibility: the Feds have not made this available to states for some time and Colorado has not had a waiver.

Below is a graph showing changes in numbers of Referrals and Children in Placement from State Fiscal Year 2004 to 2010.

While the general child population grew 9.5% between 2004 and 2010, like the U.S. as a whole, Colorado has had declining numbers of children in foster care. This has occurred in spite of growth in referrals. Although there has been growth in adoption, the cost for an adoption placement is less than a foster placement. These factors point to declining IV-E revenue.
Where does the IV-E go?

IV-E does not come back to where the expenses were incurred for a particular child. Rather the state uses it for a variety of eligible purposes. Much of it is allocated to County “Block” allocations (small $ Core)

Below is a chart from Colorado’s “Long Bill” for SFY 2011.

<table>
<thead>
<tr>
<th></th>
<th>IV-E</th>
<th>Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Administration</td>
<td>$688,288</td>
<td>$3,668,920</td>
</tr>
<tr>
<td>Training</td>
<td>$3,021,417</td>
<td>$6,545,439</td>
</tr>
<tr>
<td>Foster &amp; Adoptive Parent Resources</td>
<td>$67,110</td>
<td>$328,140</td>
</tr>
<tr>
<td>Child Welfare Services (Block)</td>
<td>$67,083,339</td>
<td>$382,251,153</td>
</tr>
<tr>
<td>Family &amp; Children Program (Core)</td>
<td>$2,826,582</td>
<td>$2,826,582</td>
</tr>
<tr>
<td>Independent Living Programs (Chafee)</td>
<td>$2,826,582</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$73,686,736</strong></td>
<td></td>
</tr>
</tbody>
</table>

The state Total Budget is not shown as there are other lines in the budget not involving IV-E.
How to Access IV-E

IV-E Funds are “in the wash” of child welfare expenditures. IV-E funds are being accessed when a qualified child is in a placement or subsidized adoption. Chafee funding for youth transitioning from foster care is an example of IV-E funding that may be requested by a legal representative (via DHS or Court Order) for purposes related to housing, job training or education.

Colorado needs a waiver so that it will not have diminishing IV-E resources, and can instead use funds more flexibly to keep children safe through providing service provision.
Title IV-B

From “Administration of Children and Families”

Purpose:

“These funds are a small but integral part of State social service systems for families who need assistance in order to stay together. These funds, often combined with State and local government, as well as private funds...

States can use a portion of their funds (no more than their 2005 expenditure level) for foster care maintenance payments, adoption assistance and day care related to employment or training for employment. States must limit expenditures for administrative costs 10 percent or less of their expenditures under this program.”
Title IV-B

- Funds are distributed by the Feds with a basis of $70,000 for each state. Additional funds are distributed in proportion to the state's population of children under age 21 multiplied by the state's average per capita income. The state match requirement is 25 percent.

- Two Long Bill items for SFY 2011 for IV-B funding: $4 million in the Block allocation and about $3.3 million for Promoting Safe and Stable Families (not all counties have PSSF as a local match is required).

- 2006 Federal line for IV-E was $6 billion whereas IV-B was about 1/10th that amount (Source: Casey Family programs 2010).

- Curiously, IV-B funds can be used (with some limitations) to offset foster care, but not the other way around.

- In Colorado, PSSF is funded through IV-B
Title XX

- Allocated to states based upon population. No match is required. Title XX is also referred to as Social Services Block Grant (SSBG).

- Eligible Services: daycare for children or adults, protective services for children or adults, special services to persons with disabilities, adoption, case management, health-related services, transportation, foster care for children or adults, substance abuse, housing, home-delivered meals, independent/transitional living, employment services or any other social services found necessary by the State for its population.

- Target: Five goals specified in the law: (1) To prevent, reduce, or eliminate dependency; (2) to achieve or maintain self-sufficiency; (3) to prevent neglect, abuse, or exploitation of children and adults; (4) to prevent or reduce inappropriate institutional care; and (5) to secure admission or referral for institutional care when other forms of care are not appropriate.

- Funding: $26,000,000 (almost $24,000,000 of which goes to CW)
CAPTA


- Incorporated into the “Keeping Children and Families Safe Act” (2003)

- The state does not directly pass these funds along to counties

- The funds are used for training and activities which support
  - Child Protection Teams
  - Law Enforcement Training
  - Consultation for counties which experts (such as Kempe)
Questions and Answers

Q: Although IV-E can only be drawn down through placements (adoption, foster care, etc) how can IV-E funding be spent?

A: Funds are available for monthly maintenance payments for the daily care and supervision of eligible children; administrative costs to manage the program; training of staff and foster care providers; recruitment of foster parents and costs related to the design, implementation and operation of a state-wide data collection system.
Questions and Answers

Q: If a child is not IV-E eligible, but reasonable efforts have not been done, is there a sanction?
A: The state does not sanction, as of this writing, for this issue.