



**CWDA**

Advancing Human Services  
for the Welfare of All Californians

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April 21, 2021

To: The Honorable Susan Talamantes Eggman  
Chair, Senate Budget Subcommittee No. 3

Honorable Members  
Senate Budget Subcommittee No. 3

The Honorable Dr. Joaquin Arambula  
Chair, Assembly Budget Subcommittee No. 1

Honorable Members  
Assembly Budget Subcommittee No. 1

From: Cathy Senderling-McDonald, Executive Director

**RE: CWDA COMMENTS ON VARIOUS CHILDREN'S  
PROGRAMS BUDGET PROPOSALS**

As part of the annual budget process, the County Welfare Directors Association (CWDA) typically comments or takes positions on budget proposals from the Administration or advocates that are of policy interest to our members or that have an effect on county operations. Because of the unprecedented impacts of the COVID-19 pandemic on the annual state budget hearing process, we have been unable to provide our feedback through public testimony as we usually would. Therefore, we are providing feedback here on several budget proposals in the children's policy area that we have not already commented on in writing elsewhere.

**Family First Prevention Services Act (FFPSA)**

The Administration proposes funding and trailer bill language to implement certain provisions of FFPSA, including Part IV of the law, which requires all states to meet new requirements for placements of foster youth into congregate care facilities (termed Qualified Residential Treatment Facilities), and Part I of the law, which gives states an option to provide, and receive Title IV-E reimbursement for, certain prevention services for candidates of foster care. Below we provide our response and recommendations with respect to the Administration's FFPSA proposal.

#### *Part IV Congregate Care Requirements*

The Administration's budget proposal includes \$97.9 million total funds (\$42.7 million General Fund (GF) and \$36.8 million county funds) to implement the provisions of the federal law, which includes a 24/7 telehealth line for nursing services, new required assessments by Qualified Individuals, new aftercare services for six months post-discharge, social worker workload associated with necessary court hearings, evaluation of placement data collected through the Child and Adolescent Needs and Strengths (CANS) tool, and training curricula to comply with FFPSA.

California must be ready to comply with the federal law for any foster youth who require a congregate-care level of placement by October 1, 2021 or it risks losing federal Title IV-E matching dollars for facilities, including Short-Term Residential Treatment Programs (STRTPs) and Transitional Housing Plus facilities for Minors (THP-M), that do not meet the requirements. We are working with the Administration to ensure its proposed legislation can be sufficiently implemented by counties by this date so that there is no potential loss in federal financial participation. As of January 2021, there were 2,251 youth placed into STRTPs and 60-80 youth placed into THP-M. The state receives federal Title IV-E matching funds for approximately 50 percent of those youth. Based on our rough estimates, this means that up to \$95 million in Title IV-E funds could be lost.

CWDA has submitted extensive written comments on the Administration's proposed trailer bill language (TBL) and is engaging with the Administration on its TBL. Our overarching concerns and recommendations are as follows:

1. Timelines for Compliance Concerns: The TBL sets expectations for the state departments to develop and issue certain guidance to counties, and for counties to implement the new guidance by October 1. These timelines for implementation are unrealistic. Even if the state departments were to meet their own requirements for issuing guidance between July 1 and October 1, 2021, this gives almost no time for counties to comply. While a stakeholder process had begun in 2019, the state halted its engagement with counties and other child welfare stakeholders for the planning of FFPSA implementation shortly before the pandemic. As a result, California is now in the precarious situation of potentially not meeting many of the federal law's requirements by the October 1 date. We are urging the Administration to identify the minimum requirements necessary to comply with FFPSA while we continue to identify longer-term changes needed to both comply with FFPSA and further improve services and outcomes for foster youth.
2. Financial Mitigations May Be Necessary: Due to the timing issues as noted above, it may not be possible for the State and counties to meet all necessary FFPSA Part IV requirements timely. For example, some provisions will require contracting for after

care and nursing services, and court procedures that require Rules of Court modifications may be several months away. In addition, due to a recent federal interpretation that STRTPs may be defined as Institutions of Mental Disease (IMDs) and thus not qualify for any Medicaid funding, this will potentially result in the loss of Medicaid eligibility and associated funding for STRTP placements in California. It is critical that the State hold counties harmless to any loss of Federal Financial Participation (FFP) pending the implementation of the required elements of federal law as well as the effects of the IMD rules.

3. Adding Requirements Beyond Federal Law Requires Additional Consideration: Some of the proposed TBL requirements go beyond what is required in the federal law. For example, FFPSA requires “after care” services for 6-months post discharge, without a specific definition of what those services should entail, leaving this to the states. However, the proposed TBL goes further to create a new model of care (referred to as “high fidelity wrap”) that would be required. This new model would have new requirements for training and certification. The State’s approach would create a higher level of service that further jeopardizes California’s ability to comply with federal law by Oct 1. The non-federal costs of these additional provisions would also be the responsibility of the State to cover (without a county share) under Proposition 30 requirements. We recommend the State reflect the FFPSA requirements in this TBL rather than creating a new model at this time, and work together with counties and other stakeholders to assess whether a totally new model (i.e., “high fidelity wrap” or something similar) is appropriate in the longer term.
4. New County Staff Workload Not Completely Reflected in the State’s Proposed Budget: As one example, the proposed TBL implements new court activities and additional documentation in case plans that will result in significant new workload. Although workload for new court activities is reflected in the proposed budget, the workload for newly required case documentation is not reflected. As the State is now beginning to re-engage counties and stakeholders in the implementation planning for FFPSA, additional workload may be identified.
5. Qualified Individual: We have raised concerns with the Administration that the trailer bill does not appear to align with existing processes, could create duplicative work for staff and may subject children and youth to duplicative assessments. We are working with the Administration and our partners in the other affected county associations to seek clarification and alignment of current activities with the new FFPSA requirements.
6. Regional Centers and Transitional Housing for Minors (THP-M): As currently

structured, FFPSA makes all THP-M facilities and some regional center placements ineligible for federal reimbursement. Although the THP-M program is relatively small—only 80 youth or so are in these facility types—the services provided through THP-M are valued by counties and stakeholders. CWDA is working with stakeholder groups and in discussions with CDSS on how to best align THP-M and Regional Center services with the new FFPSA requirements.

### *Part I: Prevention Services*

FFPSA permits states to opt-in to provide prevention services to children, including parents and related guardians, at risk of entry into foster care. Thus far, 22 states have submitted plans to opt-in and 11 have been approved. This is an unprecedented opportunity for states to provide specified direct services – mental health, substance abuse, in-home parenting skills, and kinship navigation – using Title IV-E funding that is traditionally only available to pay for the board and care of children and youth once in foster care and for associated case management by social work staff.

The Administration released its draft FFPSA Prevention Plan to stakeholders for public comment and has proposed trailer bill language. Both the draft plan and TBL reflect a very narrow approach to implementation. We share concerns raised by other groups that the limited scope will fail to prevent entries into foster care and will not address disproportionality and disparities in the child welfare system, especially for families of color, and also for other vulnerable children and youth such as those who identify as LGBTQ+. The Administration's draft plan is not statewide; would require counties opting in to provide 100 percent of the nonfederal share of costs; and puts counties solely at risk if spending is later disallowed by the federal government. The plan is also overly narrow in that it proposes a candidacy definition that includes children and families largely already served by the child welfare system, and it would limit implementation to just five evidence-based services. As a result, the Administration's proposal would forgo the opportunity to bring millions of new federal dollars to California and would prevent children, youth and families from accessing a multitude of other promising services that could help strengthen families.

CWDA, in partnership with Children Now and with the support of more than 60 other organizations, instead urges a broad approach to FFPSA implementation and has a budget proposal that would invest \$50 million SGF in Year 1 and \$100 million SGF on-going to invest across all California counties to promote equitable access to prevention services for families and youth. The details of our proposal are contained in a memo sent on January 29, 2021 to your subcommittees.

### **Emergency Caregiver Funding**

CWDA supports a request by the Alliance for Children's Rights to continue funding to

support relative caregivers and non-related extended family members (NREFMs) for placements prior to approval. Under current state law, caregivers are provided payments for the care and supervision of foster children for up to 120 days pending completion of the Resource Family Approval (RFA) process. Payments may be extended beyond 120 days based on good cause up to 365 days (this 365-day cap has been waived due to the pandemic). Beginning July 1, 2021, these timelines will be greatly reduced: relatives and NREFMs will be eligible for payments for up to 90 days, with no allowance for good cause extensions. The Alliance proposal requests p continuation of emergency caregiver funding for up to 365 days at least through the end of the pandemic, and with an extension beyond 120 days after the pandemic with good cause. This is estimated to cost \$13.4 million GF annually.

### **Infant Supplement for Expectant Foster Youth**

CWDA is supportive of a coalition request led by the John Burton Advocates for Youth to establish an Early Infant Supplement for expectant foster youth three months before the birth of their child. We believe it is a worthy intent to support expectant foster youth and provide the resources they will need to prepare for the birth of their children. We note that if this proposal moves forward, it will have automation and manual workload implications that will require additional discussions with the Administration to quantify. This is due to the federally required migration of counties to the CalSAWS system, which will be complete at the end of 2023, and as a result, any modification to automated foster care payment structures and amounts may not be able to occur until sometime in 2024.

### **One-Time Funding for Short-Term Residential Treatment Programs (STRTPs)**

CWDA is supportive of a request by the Alliance of Child and Family Services of \$42 million GF (\$30 million in 2021-22 and \$12 million in 2022-23) as a one-time allocation to support STRTPs to address increasing and ongoing expenses related to serving our most vulnerable foster youth during the pandemic. The pandemic has created financial strain for most STRTPs, resulting in some closures of facilities, and a loss of specialized treatment options for foster youth with trauma-based needs who need this specialized care setting. This one-time allocation will help stabilize STRTPs financially as California begins to emerge from the pandemic. While we are supportive of the funding, we note that the state would likely have to administer this directly, consistent with how they administered other one-time stipend payments made to STRTPs early in the pandemic in 2020. This is due to the CalSAWS migration issue noted above, and local contractual and administrative barriers, that would likely make this impossible for counties to quickly implement.

### **Mental Health Peer Certification Program**

CWDA supports the request by the County Behavioral Health Directors Association

(CBHDA), The Steinberg Institute, County of Los Angeles, and California Association of Mental Health Peer Run Organizations for a one-time allocation of \$4.7 million GF to stand up the peer certification program as authorized by SB 803 (Beall, Statutes of 2020). Peer supports are effective in facilitating access to behavioral health services for adults and youth, including parents and foster youth served by the child welfare system, and can be especially helpful in outreach to communities of color which have been disproportionately impacted by the pandemic.

### **Automation Impacts Associated with Various Proposals**

CWDA notes that some stakeholder proposals will require automation support for implementation, specifically as it relates to payments to foster caregivers, and that automation support will not be available until sometime after the counties three payment systems migrate to CalSAWS. This means that any changes prior to 2024 will require that counties complete the issuance of payments, payment tracking, and claiming through local, manual processes. These workarounds result in additional costs in the short term to implement; however, even with additional administrative, short-term funding, the workload associated with certain activities may be difficult to complete. CWDA appreciates opportunities to engage with legislative budget staff and stakeholders to address the automation and workload impacts of other proposals under consideration by the Legislature.

Thank you for your consideration of our feedback. We are happy to provide more information about our comments on any of these issues at your request.

cc: Chris Woods, Office of the Senate President Pro Tempore  
Mareva Brown, Office of the Senate President Pro Tempore  
Jason Sisney, Office of the Speaker of the Assembly  
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