To: County Welfare Directors Association of California

From: Tom Joseph, Director, CWDA Washington, D.C. Office

Date: April 12, 2011

Re: Federal Update

**FFY 2011 Appropriations:** Although an agreement was reached April 8 on a package of cuts to federal programs and agencies, staff worked for the next three days to fill in the details. The list of cuts was released today. To be voted on in the House and Senate later this week, the final agreement (H.R. 1473) provides funding for all federal programs and agencies for the remainder of federal fiscal year (FFY) 2011.

The final bill contains all spending for the federal government for the remaining six months of the FFY, and was, despite the months of negotiations, crafted in the past few days. Consequently, H.R. 1473 does not have the usual program-by-program funding table or explanatory statements describing Congressional intent. Instead, where broad spending levels are provided for agencies the federal department is mandated to provide to Congress a detailed FFY 2011 spending and operating plan within 30 days of enactment which would outline how it has allocated the cuts.

Despite the relative lack of detail compared to standard spending bills, it appears that most health and human services and employment programs escaped relatively unscathed. Cuts that were made, however, will have to be compressed into the final five months of the FFY.

**Entitlements Are Safe:** Rumors late in the negotiations that entitlements may on the FFY 2011 table of cuts did not come true. It would have been extremely difficult to enact policy changes affecting entitlement spending on an appropriations measure. So, for at least the remainder of FFY 2011 there are no policy changes or cuts to Medicaid, foster care, SNAP child support enforcement or other programs not subject to the appropriations process, including TANF.

**Some Spending Changes Are Identified – Most Are Assumed Frozen:** Overall spending under the *Workforce Investment Act* is cut about four percent from the FFY 2010 levels. The House bill (H.R. 1) would have eliminated WIA funding. The cuts between various WIA programs are not specified, leaving it up to the Department of Labor to make the final allocations. The bill also contained the Administration’s budget proposal to create a *Workforce Innovation Fund*. The $125 million appropriated will be distributed on a
competitive basis to states and localities to test new ideas and replicate proven, cost-effective strategies for delivering better employment and training results.

The **Child Care and Development Block Grant** received a $100 million increase to $2.227 billion. The **Community Services Block Grant** was cut $20 million, from $700 million in FFY 2010 to $680 million in FFY 2011. The administration in its upcoming FFY 2012 budget proposes a 50 percent cut.

**Most discretionary health programs were protected.** This includes WIC, Maternal and Child Health, and the Public Health Prevention Fund under health reform. All were frozen at FFY 2010 levels.

Senate summaries of spending for each federal department may be found at: [http://www.appropriations.senate.gov/news.cfm](http://www.appropriations.senate.gov/news.cfm)

**House Budget Committee’s FFY 2012 Budget Blueprint:** Last week, House Budget Committee Chairman Paul Ryan (R-WI) released the outlines of the House Budget resolution for FFY 2012. For federal purposes, the budget resolution provides the authorization and appropriations committees with broad policy guidance they may use to craft actual policy and spending changes. The House plan will be rejected by the Senate, but it is a document that helps frame a portion of the policy debate in Washington over the coming months.

In addition to assuming the repeal of the Affordable Care Act, the House proposes to block grant Medicaid and SNAP and would cut and consolidate many employment and training programs. Since it is not actual legislation, it does not contain statutory language detailing the proposals. CWDA has already signed on to national letters opposing the Medicaid block grant and will be active in fighting against any attempt to do the same to SNAP. Below are a few paragraphs taken from the House Budget Committee summaries.

**Major House Budget proposals**

- Secure the **Medicaid** benefit by converting the federal share of Medicaid spending into a block grant tailored to meet each state’s needs, indexed for inflation and population growth. This reform ends the misguided one-size-fits-all approach that has tied the hands of so many state governments. States will no longer be shackled by federally determined program requirements and enrollment criteria. Instead, they will have the freedom and flexibility to tailor a Medicaid program that fits the needs of their unique populations.

- Improve the health-care safety net for low-income Americans by giving states the ability to offer their Medicaid populations more options and better access to care. Medicaid recipients, like all Americans, deserve to choose their own doctors and make their own health care decisions, instead of having Washington dictate those decisions for them.

- This proposal will save $750 billion over ten years, contributing to the long-term stabilization of the federal government’s fiscal path and encouraging fiscal
responsibility at the state level. (My note: this is the amount of federal costs shifted to states and counties.)

**Protecting Assistance for Those in Need**

*Major House Budget proposals*

- Convert the **Supplemental Nutrition Assistance Program** (SNAP) into a block grant tailored for each state’s low-income population, indexed for inflation and eligibility beginning in 2015 – after employment has recovered. Make aid contingent on work or job training.

- Encourage recipients of **federal housing aid** to lead lives of increased self-sufficiency by decreasing disparities between assisted and unassisted renters and by **making aid contingent on work or job training**.

**Preparing the Workforce for a 21st Century Economy**

*Major House Budget proposals*

- Consolidate **dozens of overlapping job-training programs** into more accountable career scholarships to improve access to career development assistance and strengthen the first rung on the ladder out of poverty.

**Senate Hearing on Child Welfare Waivers:** Last month, CWDA submitted the attached statement for the hearing record on the status of child welfare waivers and federal financing reforms. CWDA urged that the HHS waiver authority be renewed, but not to the exclusion of comprehensive federal financing reforms. The testimony also provided a brief update on the progress of the Alameda and Los Angeles County waivers.

**Washington DC Visits During the APHSA Meeting:** During the APHSA conference, Cathy Senderling-McDonald and I met with Sonali Patel, Senior Policy Advisor at the Administration for Children, Youth and Families to update her on child welfare issues, including implementation of AB 12. Cathy also joined Phil Ansell from the Los Angeles County Department of Public Social Services in a meeting with Mark Greenberg, Deputy Assistant Secretary for Policy within the HHS Administration for Children and Families (ACF) and Earl Johnson, Director of the Office of Family Assistance, the agency overseeing TANF.

We also had informal discussions with David Hansell, Acting Assistant Secretary at ACF and Penny Thompson, Deputy Director for Medicaid and State Operations at the Centers Medicare and Medicaid Services (CMS). The discussion with Ms. Thompson focused on the automation systems and capabilities within the state to implement the Affordable Care Act.

A new connection was made with Sara Manzano-Diaz, Director of the Women’s Bureau within the U.S. Department of Labor.
Cathy and I also met with Los Angeles County Congressional Representatives Karen Bass and Judy Chu to update them on developments in Sacramento and to offer them assistance on health and human services issues.


A brown bag lunch was held yesterday, with representatives from a number of national organizations providing Rep. Bass with advice on short and long term issues to pursue. CWDA was the only state organization in attendance. Organizations/Individuals identified by CWDA who participated included advocates from the Child Welfare League of America, the Children’s Defense Fund, American Public Human Services Association, Center for Law and Social Policy, Casey Family Programs, American Humane Association, First Focus, NACo and the National Conference of State Legislatures.

Rep. Bass will also be establishing and co-chairing a bipartisan House Foster Care Caucus. CWDA is assisting her by identifying those Republicans and Democrats who co-sponsored the Kinship bills that formed the foundation for the Fostering Connections Act.
Statement for the Hearing Record

Innovations in Child Welfare Waivers: Starting on the Pathway to Reform

For the United States Senate Committee on Finance

March 10, 2011

The County Welfare Directors Association of California (CWDA) welcomes the opportunity to submit this statement for the Senate Finance Committee hearing record on Innovations in Child Welfare Waivers: Starting on the Pathway to Reform.

CWDA represents the human service directors from each of California’s 58 counties. Its mission is to promote a human services system that encourages self-sufficiency of families and communities, and protect vulnerable children and adults from abuse and neglect.

While California’s 58 counties - ranging from Alpine with a little more than 1,200 people, to Los Angeles with more than 10 million - are diverse, many common issues exist. No matter how small or large the county, each county Board of Supervisors and their human services professionals are responsible for protecting and serving at-risk and low-income families in their communities. Those needs are funded through a combination of federal, state and county programs. California is one of 13 states in which counties administer child welfare services, including Title IV-E Foster Care and Adoption Assistance under state supervision.

CWDA supports comprehensive child welfare services and financing reform. We believe that child welfare waiver demonstration projects are important tools for testing new approaches to child welfare that can lead to improvements in the delivery, effectiveness, and efficiency of services. Lessons learned from past and current waivers, therefore, help inform federal policymakers on how to reform the current child welfare system. They should not, however, be used as a reason to delay comprehensive reform efforts.

In the interim, waivers must be continued and expanded – especially flexible funding waivers, such as California’s, which provide participating States and counties with greater flexibility over the use of Title IV-E funds, including the ability to use funds to finance new or expanded services that seek to prevent costly out-of-home placements and/or facilitate permanency. Under California’s waiver, the two
participating counties – Alameda and Los Angeles -- receive annual capped allotments. The cost of the investments and reinvestments in new or expanded services are financed by the offsetting savings in out-of-home placement costs. In both counties, the waiver has reduced the number of children in out-of-home placements and re-entries into foster care. The waiver has also increased permanency. Updates on the progress in Alameda and Los Angeles are provided near the end of this statement.

The federal authority to approve new child welfare demonstration projects (Section 1130 of the Social Security Act) expired on March 31, 2006. However, existing demonstration projects may be renewed by the Secretary of Health and Human Services (HHS) after the end of the five-year project and after the final evaluation report has been issued. “Bridge extensions” provide waiver States and HHS time to review final evaluation and financial reports before decisions are made to extend the waiver for another five years. HHS has granted an extension of California’s waiver through June 30, 2013 – six months after the date when the final evaluation report is expected and one year after the original project period.

As broader reform is designed, CWDA supports a streamlined process for renewing waivers. Renewals should not impose new requirements as a condition for extending them. Incentives under the current California waiver already provide the impetus to invest in practices that improve child welfare outcomes. Given current state and county budget pressures, any new requirements may dissuade existing and/or new waiver counties from taking on the risks of operating a waiver. If a waiver is demonstrating results, a streamlined process should allow for a renewal before the final evaluation report is submitted in order to minimize any uncertainty that may affect program administration. CWDA also supports providing HHS the authority to approve at least ten new demonstration projects each year – the number of projects that HHS previously was allowed to approve annually under Section 1130. The application process for new waivers also should be streamlined and not impose requirements that would discourage states from pursuing waivers to test alternative approaches.

Given the need for human services practices that are evidence-based, CWDA supports the requirement that waivers include an evaluation component to capture changes in child welfare outcomes. We do, however, urge flexibility in crafting those components. For example, the use of control groups (or sites) should not be required in the design of demonstration projects. If a waiver approach proves to be highly successful, participants in the control group should not be required to continue to receive less effective services for the sake of comparison/evaluation. At the same time, the five year waiver timeframe may be too short to fully assess the efficacy of an approach and interactions between various demographic factors may be difficult to separate out, especially given relatively small sample sizes.

States should also be allowed to expand the geographical coverage of waiver projects and to stagger the start-up date of waiver projects in individual counties over time. Under the terms and conditions of California’s current waiver, 20
counties were allowed to participate, but only two counties opted to participate before the deadline arrived for deciding whether to participate. Other counties did not have the option of starting a five-year flexible funding project at a later date (e.g., beginning in 2008 or 2009).

In addition to the issues described above, depending on the structure of a waiver, it should support and expand upon a number of the following principles:

**General Principles regarding Child Welfare Waivers:**

- Are an interim step on the road to child welfare services finance reform.
- Allow states to invest in upfront services and strategies to assist families in crisis, before abuse or neglect occurs.
- Allow states to invest in post-permanency services, including reunification, on-going kinship family support, and post adoption services.
- Can align federal financing with desired outcomes - trigger services when there is a finding that services are needed rather than when a finding of maltreatment occurs.

**Waiver Evaluations should:**

- Have strong research and evaluation components to test/demonstrate outcomes that may be replicable and evidence-based.
- Be given greater flexibility in measuring cost-neutrality – the five year window may not be long enough to measure policy changes and resulting outcomes.
- Address indicators such as:
  1. increasing child safety
  2. lowering the number foster care placements
  3. increasing placement stability
  4. shortening length of stays
  5. reducing re-entry into care
  6. linking children to permanency
  7. preserving or achieving permanency for every child
  8. improving child well-being
- Support a full range of desired outcomes including, (1) broad development of differential responses for child protection referrals that present low or moderate risk to children; (2) accelerated permanence in safe and
appropriate homes, and improved transitions to adulthood, particularly in the areas of education, mental health and employment.

At the local level, waivers should also:

- Enable reinvestment and flexibility at the case level.
- Support manageable workloads that translate into Social Workers having more time with children, youth and families resulting in quality service and improved outcomes for children, youth and families.
- Meet a child’s needs, irrespective of the income of the family from which the child was removed.
- Support a range of permanency options, including prevention, reunification, adoption and guardianship.
- Support children who exit foster care through reunification, guardianship or adoption to prevent re-entry and enhance their overall well-being.
- Stabilize and strengthen families and prevent foster care placements; expand family finding services to locate extended family members (both maternal and paternal) for children needing foster care; work with local courts to expedite permanency planning; and assist with legal fees to support diversion of children in foster care to relative guardianships.
- Provide caseworkers with intensive training and support to work with youth at risk of aging out of foster care without a permanent family.
- Maintain fidelity to programs and practices with demonstrated results.
- Use and refine tools measuring future safety risks.

California County Waivers

Alameda and Los Angeles Counties exemplify the positive impact that child welfare finance waivers can have on child welfare practice and, importantly, child welfare outcomes for the children and families they serve. They are implementing many of the waiver principles described above and are proud of their success to date.

Alameda County: Alameda County has experienced great success. Previously, the County received federal Title IV-E dollars to help support each child who was placed in a foster care placement which does not allow much financial support for preventative and creative supportive services. The Waiver granted the County five years worth of Title IV-E dollars upfront, money that would have been spent for foster care placements over that period of time. This upfront money has allowed the County to provide more preventative, family-friendly services with the goal of keeping more children safely in their home environment.
Below are just a few of the statistics that show the positive impact in Alameda:

Since the beginning of the Waiver:

- The number of children in foster care placements has declined by approximately 31%.
- The number of children in group homes has decreased about 58%.
- The number of children placed with a relative/fictive kin as their FIRST foster care placement has increased about 60%.
- The number of reentries into foster care after reunifying within twelve months has declined by about 19%.
- The number of children in Probation foster care placements has declined by about 41%.
- The number of children served by Probation’s Family Preservation Unit has increased by about 21%.

In addition, the Waiver has given the County the flexibility to partner with community-based organizations to expand existing supportive services. A large component of the Waiver is the ARS program, Another Road To Safety, which is a diversion program in which families who are reported to the Child Abuse/Neglect Hotline can choose to receive customized, supportive services without any involvement from DCFS. Three community-based organizations provide the services to the families who reside in designated zip codes within the County. This program has been very successful in keeping families out of the child welfare system while leaving children safely in their home environments.

Front-line staff, as well as the Department’s Management Team, have seen the positive impacts of the Waiver. The County believes that another five year extension is vital so that it may continue to build on its success and offer this range of services to other deserving families.

Los Angeles County: Los Angeles County has also demonstrated success since implementing its Waiver. According to the mid-point evaluation conducted by San Jose State University, the County has seen positive trends in the following areas:

- The number of children entering foster care declined by 18%
- More children are exiting foster care to permanency through reunification, and as of 2009 63.9% of children were reunified within 12 months
- The number of group home placements decreased by 36.0%.
- Positive trends have also been demonstrated in placement stability and child placements with their own siblings.
- According to more recent data from Los Angeles County, the number of children in care 24 months or longer who exited to permanency also has been steadily increasing from 18.7% to 25.2% since the start of the waiver.
During the first year of the Waiver, Los Angeles County focused on reducing the temporary out-of-home care population with an emphasis on decreasing the number of youth in high cost residential care and to more appropriately meet children’s needs in family-based settings. The strategies generated Waiver savings that were then reinvested to initiate or expand several other strategies, including Family Team Decision Making (TDM) conferences and Focused Family Finding and Engagement for youth in long-term care.

In addition, Los Angeles County has partnered with its community-based service providers to strengthen safety net services for families and children, establishing strength-based, comprehensive child abuse and neglect prevention systems, including the Prevention Initiative Demonstration Project in partnership with twelve community-based organizations that led or co-lead local networks in each of the County’s eight regional Service Planning Areas (SPA), each focusing on achieving outcomes associated with preventing child abuse.

In summary, CWDA views the above policies and practices and the waiver experiences in Alameda and Los Angeles counties as positive steps toward building the foundation for comprehensive child welfare practice and financing reform. We stand ready to assist and participate in a broader federal discussion.

CWDA thanks the Committee for this opportunity to submit a statement for the record. If you have any questions, please contact Tom Joseph, Director of CWDA’s Washington Office at tj@wafed.com or 202.898.1444.