



CWDA

Advancing Human Services
for the Welfare of All Californians

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April 23, 2024

To: The Honorable Caroline Menjivar
Chair, Senate Budget Subcommittee No. 3

Honorable Members
Senate Budget Subcommittee No. 3

The Honorable Dr. Corey Jackson
Chair, Assembly Budget Subcommittee No. 2

Honorable Members
Assembly Budget Subcommittee No. 2

From: Eileen Cubanski, Interim Executive Director, CWDA

**RE: CHILD WELFARE SERVICES (CWS): FOSTER CARE
RATE REFORM PROPOSAL**

The County Welfare Directors Association (CWDA) appreciates the efforts of the Administration and California Department of Social Services (CDSS) to put forth a comprehensive foster care rate reform proposal. CWDA supports the overarching goals of the proposal to support family-based care, particularly kinship care, and to establish a new structure driven by the child's needs rather than by their placement setting. CWDA is also supportive of proposed new state investments associated with the rate proposal.

CWDA has reviewed the rate proposal with county child welfare agency staff and has the following recommendations on the rate proposal. Please refer to the attachment for details on our rationale.

CANS and Child and Family Teaming to Inform Tiers

We recommend that the Legislature adopt trailer bill language (TBL) directing CDSS to engage with counties and stakeholders to address the below issues with respect to the Child and Adolescent Needs and Strengths (CANS) and Child and Family Teams (CFTs) and to report back to the Legislature in January 2025 its recommendations to address those concerns, including identification of needed funding:

- Alignment of the CANS tools between CWS and California Department of Health Care Services (DHCS) with training and support to county staff implementing the tool.

- Ensure support for data entry of the CANS.
- Adequate administrative funding to county staff for CANS completions, including for implementation of model fidelity tools and coaching support.

Rate Setting Using the CANS Tool

CWDA recommends the Legislature reject use of statistical modelling of CANS scores for rate setting and instead, to direct CDSS to work with counties, tribes, and stakeholders to identify what information from the CANS matrix, and any other additional information not currently captured on the CANS, should be used to determine rate levels. We also recommend the Legislature direct CDSS to identify a timeline and plan for updating the CANS tool to ensure it is capturing the necessary information to identify child, youth and caregiver strengths and needs.

Finalizing the Number of Tiers and Process for Transitioning Between Tiers

We recommend the Legislature direct CDSS to work with counties and stakeholders to finalize the number of tiers, including which parts of the rates within each tier will receive annual adjustments, and articulate the planned transition from other rate structures to the new rate structure and to reflect this in updated trailer bill language by August 1, 2024. This will allow the Department to move forward with issuing the requisite policy guidance to allow CalSAWS to commence programming to prepare for the Department's anticipated implementation of the new rate structure "as soon as Fiscal Year (FY) 2026-27."

We also recommend the trailer bill for the foster care rate structure address the following critical elements for rate setting:

1. Provide county social workers with greater flexibility to assign youth to higher tiers, at least temporarily, pending completion of a CANS in the CFT.
2. Establish a specific "new entry into foster care rate" at an amount that is distinct from the tiers and between the proposed amounts for tiers 1 and 2 (suggest \$2,200 to \$2,500).
3. Clarify the effective dates for new entries into care and for cases transitioning from the current rate system to the new rate system.
4. Administrative funding for FFAs and STRTPs should be further vetted and discussed with agency representatives and counties and should receive annual adjustments based on the California Necessities Index (CNI).
5. Any youth placed into a residential therapeutic setting should qualify for the highest tier.
6. The housing supplement for Supervised Independent Living Placements (SILPs) proposed for elimination in the Governor's Budget should be restored.
7. CDSS should continue to engage with counties placing agencies, tribes, providers, and other stakeholders to address how family-based caregivers will acquire the

knowledge, skills and capacity to care for youth with acute needs directly, through training, coaching and other forms of skill development and support based on the specific needs of each youth based on their CANS, and report back to the Legislature with recommendations in 2025.

Immediate Needs Component

CWDA supports this component which includes new funding to meet the child-specific, individualized needs of foster children. However, CWDA has several significant concerns with the proposed administration of this component. To address these concerns, we recommend that the Legislature:

1. Reject the proposal for certification and model contracts and instead require CDSS to work with counties and stakeholders to articulate the process for county plan requirements, including expected data elements to be submitted by counties, and to submit updated TBL to the Legislature, including proposed funding to counties to address any new workload, as part of the 2025-26 budget process.
2. Reject the new auditing requirements and require CDSS to work with counties to review the existing Child and Family Service Reviews (CFSR) and case review process and make any recommendations, if needed, to strengthen the CFSR process to support implementation of this component of the proposal, and to submit updated TBL to the Legislature, including proposed funding to counties to address any new workload, as part of the 2025-26 budget process.
3. Reject the TBL that provides CDSS a role in directly administering this component.
4. Provide capacity-building funding to counties and community-based providers beginning in Fiscal Year 2025-26.

Additionally, CWDA has other specific recommendations related to the Immediate Needs component:

1. Flexibility - Allow the Immediate Needs funding to be used flexibility across all tiers, including Tier 1, for families receiving family maintenance services and to prevent imminent entry into foster care; and allow funding to be used as soon as a social worker observes an immediate need, which may occur before a CANS and/or CFT can be completed.
2. Adjust this component of the rate annually based on changes in the CNI.
3. Require that CDSS and DHCS engage with county placing agencies, county mental health plan representatives and other stakeholders to develop specific strategies for county placing agencies and service providers to leverage Medicaid funding, and to report its recommendations to the Legislature as part of the budget process in 2025-26.
4. Continue the existing wraparound rate structure, which allows counties to utilize county-only funding up to the STRTP rate to support wraparound programs and reinvest any savings into other direct services and supports to youth and families.

5. Reject the current TBL establishing the allocation methodology for the Immediate Needs funding and require that the budget and allocation methodology for this component be developed in consultation with county placing agencies and tribes.

Strength-Building and Maintenance Component

CWDA is supportive of the proposal to fund strength-building activities for children and youth, including non-minor dependents (NMDs), in foster care, and has identified several operational questions related to the implementation of this component. CWDA recommends the TBL be amended to:

1. Require CDSS to clarify criminal background check requirements for providers of strength-building activities, in alignment with the prudent parent standards.
2. Require the financial management coordinators (FMC) directly assist youth and families to identify and access strength-building services (rather than the county).
3. Add the FMC (or CDSS) as a party to the case for purposes of seeking court-approval and paying for activities ordered by the courts (or reimbursing counties when courts order such services to be paid by the county).
4. Require the FMC to respond to any appeals or fair hearing requests when they are denied services.
5. Align the administration of BH-CONNECT activity stipends (scheduled to implement January 1, 2025) with the strength-building component of the foster care rate, to be delivered by the FMC, and to direct CDSS to work with DHCS, counties, tribes and stakeholders to develop recommendations for aligning all aspects of the Strengths Building component with the BH-CONNECT activities stipend to assure there is no barrier to reunification, adoption or guardianship.

Automation Considerations

We recommend the Legislature require CDSS to engage with CWDA, CalSAWS and CWS-CARES Project staff to identify the potential risks and mitigation strategies with respect to the timing of the permanent rate structure implementation with the CARES Version 1 “go live” date and require CDSS to report back to the Legislature in 2025.

Fiscal Considerations

CWDA requests that the Legislature work with the Administration to provide the funding methodology for its rates proposal, including clarifying its rationale for the new proposed costs to counties. Moreover, any new requirements and workload associated with the proposal should be adequately funded.

Concluding Remarks

CWDA appreciates the goals and new investment proposed for the permanent foster care rates structure. However, the proposal is complex and there are many operational issues that will need to be addressed that will require very intensive engagement with counties, tribes, and stakeholders. We urge the Legislature to engage with the Administration to address issues raised, to ensure a seamless transition to the permanent foster care rate structure for children, youth and families.

cc: Chris Woods, Office of the Senate President Pro Tempore
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