

TITLE IV-E CHILD WAIVER DEMONSTRATION PROJECT

Questions and Answers

1. Why is the waiver approval so important to California?

The approval of this proposal by the federal government continues California's efforts to improve outcomes for children who come into contact with the child welfare system. This furthers the Governor's goal of providing safe and stable homes for all children in California. Since 2000, we have been able to move more than 25,000 children out of foster care, yet, there are still an estimated 80,000 children in foster care today.

Currently, most of the federal money that comes into California is spent on maintaining children in foster care. Under this waiver, up to 20 counties in California will have a large pool of federal money to spend on innovative services that will keep families together. We will be able to spend the money before children are at risk of being taken from their homes and on services that are not currently eligible under the federal program. This changes the financial incentives within the state's child welfare system and encourages efforts to keep families in tact and children safe.

2. What are the Goals of the waiver project?

The specific goals are to:

- Improve the array of services for children and families and engage families through a more individualized approach that emphasizes family involvement,
- To increase child safety without an over-reliance on out-of-home care.
- To improve permanency outcomes and timelines, and
- To improve child and family well being

3. What will the waiver allow counties to do?

Until now, federal funds could be used only when a child is removed from his or her home and placed in foster care. The waiver allows California to spend these same funds to help families receiving certain services to avoid the removal of a child from the home to keep the family in tact and the children safe. Examples of services include: training and intervention to improve parenting skills; mental health and addiction services; and other innovative services that are aimed at keeping families united.

4. Will counties be required to participate?

No. Counties will not be required to participate.

However, the federal waiver allows up to 20 counties to participate if they desire. Those who choose to participate will be granted the flexibility to provide the innovative services to children and families at-risk and will have a guaranteed budget over the next five years.

Those who choose not to participate will be bound by the current federal rules that allow for expenditures of funds only when the child is very likely to be removed from the home. Most of the federal funds are expended on foster care payments.

5. Why did it take so long to get waiver approval?

There were many details to work out including details around the major concepts of cost neutrality and budget neutrality. After California and the federal government were able to reach an agreement on these details, the final package was approved. This is significant because expenditures were lower in FFY 2005 than in previous years. California maintained the position that participating counties could not be penalized with a lower budget.

In addition to the hard work of U.S. HHS, including Sec. Michael Leavitt, and California Health and Human Services Agency, we are grateful to Chairman David Dreier, Chairman Bill Thomas, Chairman Wally Herger and Congressman Gary Miller for supporting California's position on this effort.

6. What remains to be done before the implementation of the waiver?

The Department of Social Services must continue to work with the counties to develop a detailed design and implementation plan that identifies the specific counties that will participate and the proposed strategies to be employed. This must be submitted to the federal government before the waiver can commence.

7. When will the waiver actually begin?

The current target date for the implementation of the waiver is between October 1, 2006 and January 1, 2007.

8. How many children will be affected?

It is difficult to estimate how many counties will participate. Currently more than 500,000 children come into contact with the Child Welfare system every year and 80,000 children are currently in foster care. If 40 percent of the state's caseload is covered under the waiver more than 200,000 children could be affected each year.

9. What benefits will there be for California's children and families?

The major benefits to California's children and families are that the federal funds can be spent on community based, preventative services for more families to assure families remain united and children stay out of foster care.

10. How did California develop its waiver proposal?

The State Department of Social Services has worked with a group of counties who are interested in testing this innovative approach in the delivery of Child Welfare Services. Los Angeles County has played a significant role in the development and advancement of this waiver and has already taken steps on its own to improve outcomes for children in Los Angeles through innovative service delivery for families in need.

11. Is this a good financial deal?

Given the uncertainties of the federal budget in recent years, this is good for California. For the counties who participate, there will be a guaranteed funding source that will increase by two percent a year. Any savings can be reinvested in new programs serving children and families in their county. Additionally, the federal government is looking at many serious cuts to important health and human services programs – any support from the federal government to improve outcomes and offer flexibility is a good for California.

12. Why do we say that we can now spend funds on services that we could not buy before?

The waiver encompasses both eligibility and services. Current federal law is restrictive on both eligibility and what services can be purchased. This waiver allows counties to spend federal funds on families when warning signs of problems arise. These families were not previously eligible until it was imminent that the child must be placed out of the home. It also allows for the expenditure of federal funds on new and innovative services that are not normally covered under federal law.

13. What has the federal government required of California under this waiver?

The federal government requires that:

- Funds must be spent on children ages 0-18 who are at-risk of entering or re-entering foster care.
- Implementation may occur in up to 20 counties in California.
- The state must provide a detailed implementation plan outlining strategies to be employed.
- Counties will use their annual Title IV-E allotment to strengthen the child welfare practice.
- The counties will be provided a capped allocation that includes a 2 percent annual growth.

- The test period is for five years.

14. Are there other children's programs included in the approved waiver?

Yes, the waiver approval includes a capped allocation for the federal share of the state's adoption assistance program. This program was allowed a much higher growth rate of 15 percent because it is recognized as an important support for children who need permanent homes.

15. If the waiver agreement is not successful, what can the state and counties do to return to the regular federal program?

The waiver agreement allows the state or any county to cease participation at the end of any quarter if it deems the project is not beneficial.

16. Doesn't the waiver limit adoptions?

The waiver does include a negotiated cap on adoptions for counties to elect to participate. The negotiated cap recognized the importance of adoptions, the increases anticipated as a result of the Adoption Initiative proposed in the Governor's January Budget and allows for additional improvements. For the counties that choose to participate in the waiver, there is a 15 percent cap over the five year period of the waiver term. The state can exceed the 15 percent in some years as long as the 15 percent limit is met over the term. For the past three years the average increase has been well under 10 percent. Counties not participating in the waiver will have no limit.

17. California negotiated away children's entitlement to foster care services, how can that be good?

The entitlement is limited only for those counties that participate in the waiver. The good part is that federal money can be spent on services to avoid putting children in foster care. Under current federal rules, states cannot do that. This waiver is a test that is needed to determine if preventative services in child welfare will work.

18. While flexibility is important, isn't there still an underlying resource issue?

The waiver will allow counties to use existing resources more wisely by funding preventative, up-front services that will avoid more expensive foster care placements down the road. Eliminating restrictions on current funding will make more resources available to provide front end services and allow us to test whether this reduces the need for foster care placements.

19. Wouldn't it have been better to keep the entitlement and add more resources for prevention services?

Keeping the entitlement is important but so is the ability to test the preventative services to keep families together and keep children out of foster care. The current budget does not allow for significant increased resources with the other demands of the state budget. We believe testing this approach in part of the state is very worthwhile.

20. What does this mean for all of the legislation proposed by the Assembly?

This waiver is not a statewide mandate. Only 20 counties can participate. We will continue to evaluate policy changes raised through legislation and react to those based upon the best interest of the children in California.

21. Isn't this a big risk? What happens if foster care caseloads increase dramatically?

California's foster caseloads have been consistently decreasing since 2001. Several state and county programs have encouraged this including California's Kinship Guardian Assistance Program, which provides financial incentives for relatives to assume guardianship of foster children. Further, there is additional state funding in the Governor's Budget to support Kinship programs. We also believe the prevention services provided under the waiver program will reduce the reliance on foster care. However, if foster caseloads do increase, the state may withdraw from the waiver agreement with one quarter's notice.