

# Planning and Implementation of the Title IV-E Project

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## EXECUTIVE SUMMARY

As counties continue to experience reductions in federal and state funding, the State of California and counties are being presented with a unique opportunity for system redesign in the area of child welfare services. The Title IV-E Waiver Demonstration Project (flexible spending) allows federal foster care funds, normally restricted to out-of-home care, to be used for a variety of child welfare related services. The key assumption underlying a flexible funding waiver is that the cost of up-front prevention services will be offset by subsequent savings in foster care maintenance expenditures.

The waiver and associated funding methodology recognizes and rewards efficiency and provides incentives for on-going process and system improvement. Although participation in the waiver requires that counties demonstrate the ability to address and accomplish specific goals, the goals are closely aligned with the priorities identified by the California

Department of Social Services (CDSS), thus facilitating the preparation of the waiver proposal.

The passing of PL112-34 in October 2011 indicated that all waivers will end by 2019.

Participation in this next waiver process is a valuable opportunity that should be seriously considered.

### **BASSC Project Objectives:**

Through research and personal interviews, the following project objectives were met:

- Review the process followed by Alameda County to participate in the waiver process;
- Identify challenges a county might face in the implementation of the waver process;
- Gain an understanding of the evaluation criteria used for outcome measurement;
- Use lessons learned to develop a well-thought out implementation plan for Marin County.

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## Introduction

Alameda County is one of two counties in the state participating in the Title IV-E Demonstration Waiver Program (Flexible Funding) effective July 2007. The California flexible funding demonstration project targeted Title IV-E eligible and non-IV-E-eligible children ages 0-19 in out-of-home placement or at risk of entering or re-entering foster care. The demonstration project uses a fixed-funding model for the five year funding period and was originally due to end June 2012 although a short-term bridge extension through June 2013 has since been granted.

The waiver program permits the use of federal and state foster care funds to expand and strengthen child welfare practice, programs and system improvements in participating counties. It is important to note that the stated goals of the waiver program were directly aligned with elements of Alameda County's Children and Family Service System Improvement Plan (SIP). Consequently, in its proposal Alameda County indicated it intended to redirect financial resources from the existing congregate group home model to family-based resource homes and community-based services.

## Background

On March 31, 2006, the United States Department of Health and Human Services approved California's request for a Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project (CAP).

Alameda County's—Social Service Agency (SSA) staff worked closely with the staff at the state level on the design of the California waiver

and the subsequent negotiations with the federal government.

Prior to the demonstration project, federal funding for the child welfare system was oriented primarily towards supporting activities that removed children from their homes and their parents.

States and counties were reimbursed for the federal share of foster care board and care payments and related administrative costs for eligible children. There is no limit on the amount a state or county may claim; however, spending is restricted to board and care costs and specific administrative activities. Under the demonstration project the traditional relationship between the entitlement of unlimited reimbursement and the restrictiveness of allowable activities is reversed. Under the demonstration project, reimbursement is capped, but restrictions on the use of funds are reduced. The waiver allowed counties to redirect funds toward activities that better support at-risk families and are likely to reduce the need to place children in foster care.

## Alameda County—Social Services Agency (SSA) Waiver Goals

The objectives under the waiver program for Alameda County were to:

- Reduce the number of children entering foster care by increasing availability of early intervention and prevention services;
- Increase the number of children appropriately placed in relative homes (reducing unnecessary group home care);

- Increase the number of children who are reunified safely, permanently, and timely: thus reducing the number of children who must re-enter foster care;
- Increase the percent of timely adoptions and guardianships; and
- Enhance services for emancipating youth.

## CAP Evaluation & Performance Outcomes

As part of the waiver agreement all states are required to conduct independent rigorous evaluations of their demonstration projects. An interim evaluation of the California waiver was conducted by San Jose State University Research Foundation (Foundation). The evaluation included a review of the California Department of Social Services (CDSS), as well as Alameda County and Los Angeles County; the only two participating counties in California. The Foundation's review process, in addition to its findings and recommendations, were documented in their report published in March 2010.

The primary purpose of the CAP Evaluation was to determine whether and how changes in the funding structure for foster care (i.e. ending entitlements, eliminating eligibility restrictions, and capping the dollar amount in exchange for spending flexibility) affect the functioning of the counties' child welfare systems and relevant probation systems.

The secondary purpose of the evaluation was to assess outcomes for dependent and delinquent children and their families before the CAP began and then during its implementation.

Through the use of surveys and personal interviews, the evaluation team looked at the progress the county had made toward implementing the proposed initiatives and identified the challenges faced in the process.

The overall findings of the Interim CAP Evaluation Report were inconclusive because outcome indicators were difficult to discern due to the limited number of available data points, and they could not directly attribute observed changes in the county operations and outcomes for children and families to their participation in the CAP. A more recent report

published in March 2012—*Summary of the Title IV-E Child Welfare Waiver Demonstrations*<sup>1</sup>—did indicate positive outcomes for Alameda County in the areas of Out of Home Placement Prevention and Foster Care Re-Entry;

- **Out-of-Home Placement Prevention**—declined by 33 percent from 2,073 children in July 2006 to 1,390 children in May 2011.
- **Foster care Re-Entry**—Rates within 12 months of reunification have trended downward from 21.4 percent in July 2006 to 14.6 percent in March 2010.

Alameda County—SSA staff uses a variety of dashboard reports to regularly measure its progress towards meeting the stated waiver goals. Using relevant caseload data, service trends and outcomes, waiver goals are measured against the base year (Fiscal Year 2006-07) and annual targets. In its latest Title IV-E Waiver Update, for the period ended September 30, 2011, the data indicates favorable outcomes were achieved compared to the base year; however, actual performance outcomes for three of the five waiver goals were not within the desired target for the fiscal year.

## Funding and Financing

Including the extension year, the waiver is a six year agreement between the federal, state and county governments, each with its distinct and separate funding level or base.

**Federal:** The federal base allocation is the county's average Title IV-E actual expenditures for administration and assistance of a specified base year plus a specified annual growth.

**State:** The state general fund (GF) allocation includes; *Foster Care Assistance*—a capped base allocation based on actual expenditures, and *Child Welfare Services related programs*—is based on previous allocations with a specified annual growth.

<sup>1</sup> Summary of the Title IV-E Child Welfare Waiver Demonstrations—(May 2012) Children's Bureau—Administration on Children, Youth and Families. James Bell Associates, Arlington, Virginia prepared for the

**County:** participating counties are required to provide funding equal to actual expenditures of the specified base year (MOE).

The multi-year funding commitment facilitates long-range planning and budgeting, by providing participating counties the time and resources needed to develop relationships with internal and external stakeholders. The extended budgeting period also provides an opportunity to evaluate, correct or adjust its direction and resources if certain initiatives do not appear to be working as intended. As the number of placements decrease compared to the base year and savings are incurred, under the waiver, counties are allowed to retain unspent funds each year for reinvestment into their child welfare services, thus providing much needed resources to implement new reform initiatives. At the same time, the fixed funding approach puts participating counties at risk if the number of children in placement increases above the base year level.

### **Alameda County's Title IV-E Waiver Update and Next Steps**

Alameda County's successful use and performance under the waiver program can be attributed to the fact that the majority of the initiatives identified as priorities by the waiver were directly aligned with the goals of the SSA–System Improvement Plan already in place. The availability of flexible IV-E funds accelerated the implementation of child welfare reform efforts that existed prior to the introduction of the waiver. Keeping the ultimate goal in mind—to *increase children and family's access to a wider array of child welfare services*—specific measurable project goals were targeted including; early intervention and prevention, upfront assessment and safe reunification.

To date a total of 14 waiver strategies focused on the redesign of placement practices, expanding and enhancing services in the areas of mental health, concurrent planning and support, foster parent recruitment and parent advocate program, have been fully implemented. Ten additional strategies

have been identified as priorities for the fifth and sixth year of the waiver including the evaluation of all waiver funded activities, a work effort that will enable Alameda County—SSA to assign or redirect available resources in the most efficient manner to meet the changing needs of its programs.

### **Implications for Marin County—Health and Human Services (H&HS)**

Marin County is not currently participating in the waiver process; therefore, federal and state funds received are based on the number of children in placement and the use of funds is limited to placement costs and certain specified activities. Program activities within H&HS—Children and Family Services (CFS) are guided by the initiatives set forth in *The County Three-Year System Improvement Plan (SIP) updated in 2010*. The SIP identified three focus areas for the next three years; *Safety and Prevention, Permanency and Well Being and Family Reunification*. Currently, due to the limitation of the funding mechanism (non-waiver) resources required to implement the initiatives set forth in the SIP are being borne by the county and must compete on an annual basis with other priorities, putting them at risk when funding reductions occur.

Waiver participation by H&HS–CFS would provide funding stability, allow long-range planning and budgeting, provide funds needed to accelerate the implementation of SIP initiatives, and quickly progress towards the ultimate goal of H&HS–CFS; to continue to work with local agencies and stakeholders to improve the safety of children and families in Marin County.

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