



FINANCING SOCIAL SUPPORTS AND SERVICES FOR CHILDREN AND FAMILIES

Editor's Note: This is the second in a series of fiscal newsletters intended to begin developing a basic understanding of the resources available to serve children and families. The first article, Financing Children's Mental Health Programs (May/June 1999) provided an overview of the major funding sources available to county mental health departments to fund children's mental health programs. This article provides an overview of the major funding sources available to county social services departments to fund social and support services for children and families.

County welfare departments administer a number of programs that provide a continuum of supports and services to children and families. These programs include:

- ❖ Child Welfare Services
- ❖ Foster Care Services
- ❖ SB 163 Wraparound Pilot
- ❖ Title IV-E Waiver Project
- ❖ Family Preservation and Support Services
- ❖ Adoption Assistance Payments
- ❖ Kinship Guardianship Assistance Payment Program (Kin-GAP)
- ❖ Supportive and Therapeutic Options Program (STOP)
- ❖ Kinship Support Services
- ❖ Independent Living Program (ILP)

County welfare departments may access various county, state and federal funding sources to finance services delivered to children and families through these programs. These funding sources include:

- ❖ County General Funds
- ❖ Social Services Realignment Funds
- ❖ Child Welfare Services Allocation (State General Funds)
- ❖ Foster Care Services Allocation (State General

Funds)

- ❖ Adoptions Assistance Payments Allocation (State General Funds)
- ❖ Kinship Guardianship Assistance Payment Program Allocation (State General Funds and TANF)
- ❖ Supportive and Therapeutic Options Program Allocation (State General Funds)
- ❖ Federal Foster Care Reimbursement (Title IV-E)
- ❖ Federal Adoptions Assistance Reimbursement (Title IV-E)
- ❖ Federal Child Welfare Services Allotment (Title IV-B)
- ❖ Federal Family Preservation and Support Services Allotment (Title IV-B)
- ❖ Federal ILP Allotment (Title IV-E)
- ❖ Kinship Support Services (State General Fund)

This article briefly describes the various child and family programs, the services that counties may provide through those programs, and the county, state, and federal funding sources that county welfare departments may access to finance those services and programs.

FUNDING SOURCES

County Funds

Counties receive social services realignment funds pursuant to the 1991 program realignment (Chapter 87, 1991, Chapter 89, 1991, and Chapter 91, 1991). These funds may be used to meet the county share-of-cost for the following programs and services:

- ❖ Delinquency prevention and juvenile justice programs pursuant to Sections 1794, 1806, and 1904 of the Welfare and Institutions Code
- ❖ Foster Care
- ❖ Child Welfare Services
- ❖ In-Home Support Services
- ❖ County Services Block Grant
- ❖ TANF
- ❖ Adoption Assistance
- ❖ Food Stamp Administration
- ❖ Kin-GAP
- ❖ California Children's Services Act

The county may also augment these social service funds with county general funds. The county ultimately determines how those social services realignment and county general funds are used to meet the county share-of-cost for each program.

State Funds

Counties' social services realignment and county general funds are augmented with six state general fund allocations. These state general fund allocations include :

- ❖ Child Welfare Services Allocation
- ❖ Foster Care Services Allocation
- ❖ Adoptions Assistance Payments Allocation
- ❖ Kinship Guardianship Assistance Payment Program Allocation
- ❖ Supportive and Therapeutic Options Program Allocation
- ❖ Kinship Support Services Program Grant-in-Aid

The state legislature makes a separate appropriation in the Annual Budget Act to the California Department of Social Services (CDSS) for each of these six programs. The CDSS allocates the Kinship Support Services Program Grants-in-Aid to counties pursuant to a competitive application process. The CDSS allocates the remaining state general fund appropriations among the fifty-eight counties pursuant to formulas developed by CDSS. Each county is responsible for managing their allocation to meet the state's share-of-cost for services and activities provided to children and families in each

of those programs.

Federal Funds

Counties may claim federal reimbursement for adoption assistance payments, foster care, ILP, child welfare, and family preservation and support services and activities through Title IV-B and Title IV-E of the Social Security Act. Title IV-B, Subpart 1 appropriates a fixed dollar amount to each state to provide child welfare services to children and families. The CDSS, as the single state agency responsible for implementing Title IV-B, allocates the state's Title IV-B, Subpart 1, allotment among the county welfare departments. Each county welfare department may use its Title IV-B, Subpart 1, allocation to finance seventy-five percent of its cost for child welfare services.

Title IV-B, Subpart 2, appropriates a fixed amount of money to each state to provide family preservation and support services to children and families. These federal funds have been authorized to be allocated through federal fiscal year (FFY) 2001. CDSS, as the single state agency responsible for implementing Title IV-B, allocates these funds to public and private nonprofit agencies to implement community-based family preservation and support programs. These public and private nonprofit agencies may use their allocation to cover one hundred percent of their costs to provide family preservation and family support services.

Title IV-E established the foster care and adoption assistance programs. The foster care program established an entitlement to foster care maintenance payments for children who are placed in out-of-home care and meet federal eligibility criteria. County welfare departments that are implementing the federal foster care program may claim federal reimbursement for the foster care maintenance payments they make on behalf of children placed in foster care, the administrative activities staff need to perform to implement the foster care program, and the cost to provide training to foster parents and county staff who serve children who are eligible for the federal foster care program. County probation departments that have developed a Memorandum of Understanding (MOU) with their county social services department may also claim Title IV-E FFP for foster care maintenance payments. The adoption assistance program allows states to make adoption assistance payments to families that adopt children with special needs. County welfare departments that make such adoptions

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assistance payments may claim federal reimbursement through Title IV-E to finance a portion of the adoptions assistance payments.

Title IV-E also established the Independent Living Program and appropriates a fixed amount of funds to each state to provide independent living services to children receiving foster care maintenance payments. Senate Bill 933 (Chapter 311, Statutes of 1998) provided for State General Funds to augment the federal ILP funds.

CDSS, as the single state agency responsible for implementing the Independent Living Program, allocates the state and federal funds among counties and community colleges to implement Independent Living Programs. Counties and community colleges may use those funds to cover one hundred percent of the cost of Independent Living Program services and activities.

PROGRAMS AND SERVICES

Child Welfare Services

Each county is responsible for implementing a child welfare services system that provides a continuum of public social services designed to accomplish any or all of the following goals and objectives:

- ❖ Protect and promote the welfare of all children, including handicapped, homeless, dependent, or neglected children;
- ❖ Prevent or remedy, or assist in the solution of problems which may result in the neglect, abuse, exploitation, or delinquency of children;
- ❖ Prevent the unnecessary separation of children from their families by identifying family problems, assisting families in resolving their problems, and preventing breakup of the family where the prevention of child removal is desirable and possible;
- ❖ Restore to their families children who have been removed by the provision of services to the child and the families;
- ❖ Identify children to be placed in suitable adoptive homes, in cases where restoration to the biological family is not possible or appropriate; and
- ❖ Assure adequate care of children away from their homes, in cases where the child cannot be returned home or cannot be placed for adoption.

To accomplish those goals and objectives, counties may provide the following types of services:

- ❖ Case management

- ❖ Counseling
- ❖ Emergency shelter care
- ❖ Emergency in-home caretakers
- ❖ Temporary in-home caretakers
- ❖ Respite care
- ❖ Therapeutic day services
- ❖ Teaching and demonstrating homemakers
- ❖ Parenting training
- ❖ Substance abuse testing
- ❖ Transportation

These child welfare services are financed with a mix of federal, state and county funds. County welfare departments may claim against their Title IV-B, Subpart 1, allocation to finance seventy-five percent of the total cost for child welfare services. County welfare departments may also access their child welfare allocation to finance seventy percent of the non-federal cost. The remaining thirty percent of the non-federal cost is financed with county funds (e.g. social services realignment or county general funds).

Family Preservation and Support Program

Title IV-B, Subpart 2, of the Social Security Act established the Family Preservation and Support Program. The Family Preservation and Support Program provides both family preservation and family support services to children and families. The Adoption and Safe Families Act of 1997 re-authorized and expanded the Family Preservation and Support Program by adding time-limited family reunification and adoption promotion and support services to family preservation and family support services. Family preservation services include the following types of services:

- ❖ Service programs designed to help children return to their families or be placed for adoption;
- ❖ Pre-placement preventive service programs designed to help children at risk of foster care placement remain with their families;
- ❖ Service programs designed to provide follow-up care to families to whom a child has been returned after a foster care placement;
- ❖ Respite care of children to provide temporary relief for parents and other caregivers;
- ❖ Services designed to improve parenting skills with respect to matters such as child development, family budgeting, coping with stress, health, and nutrition.

The Family Preservation and Support Program includes

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community-based preventive activities designed to accomplish the following goals:

- ❖ Alleviate stress and promote parental competency and behavior that will increase the ability of families to successfully nurture their children;
- ❖ Enable families to use other resources and opportunities that are available in the community;
- ❖ Create supportive networks that enhance child-rearing abilities of parents; and
- ❖ Help compensate for the increased social isolation and vulnerability of families.

The services that counties may provide in support of those goals include, but are not limited to the following:

- ❖ Home visitation
- ❖ Informal interactions in drop-in centers
- ❖ Parent education
- ❖ Information and referral services
- ❖ Family counseling services
- ❖ Respite care for parents and other caregivers
- ❖ Early development screening of children to assess the needs of these children, and assistance in specific services to meet their needs
- ❖ Mentoring
- ❖ Literacy services
- ❖ Health education for youth and parents

Time-limited family reunification services include:

- ❖ Individual, group and family counseling;
- ❖ Inpatient, residential, or outpatient substance abuse treatment services;
- ❖ Mental health services;
- ❖ Assistance to address domestic violence;
- ❖ Temporary child care and therapeutic services for families, including crisis nurseries; and
- ❖ Transportation to and from any of the above services.

Finally, adoption promotion and support services mean services designed to encourage more adoptions out of the foster care system, when adoptions promote the best interests of children. These include such activities as pre-and post-adoptive services designed to expedite the adoption process and support adoptive families.

Pursuant to Title IV-B, Subpart 2, California receives a federal allotment that is intended to finance seventy-five percent of the total costs to deliver family preservation and support services. This federal allotment has been authorized for appropriation through federal fiscal year

2001. The CDSS uses the State General Funds it allocates for the State Family Preservation Program as the twenty-five percent state match.¹ As a result, there is no county share-of-cost to provide federal family preservation and support services.

The CDSS, acting as the single state agency responsible for implementing the federal Family Preservation and Support Program, allocates California's Family Preservation and Support Program allotment among those counties that have chosen to participate (i.e. 56 out of 58 counties). Counties may use their Title IV-B, Subpart 2, allocation to finance one hundred percent of the total cost to provide family preservation and support services. At least fifty percent, and no more than seventy-five percent of these funds must be used to provide family support services. At least twenty-five percent and no more than fifty percent of these funds must be used to provide family preservation services. In addition, the CDSS suggests that counties spend twenty percent of these funds to provide time-limited family reunification services and/or adoptions promotion and support services.

Kinship Support Services Program

In July 1998, the Department of Social Services allocated state funds, made available through Assembly Bill 1193 (Chapter 794, Statutes of 1997), to eight counties to implement new or expand existing Kinship Support Services Programs. Kinship Support Services Programs provide community-based family support services to relative caregivers and the children placed in their homes by the juvenile court and to those who are at risk of dependency or delinquency. The Kinship Support Services Programs also provide post-permanency services to relative caregivers that have become the legal guardians or adoptive parents of formerly dependent children. The eight counties that received funding for the first year of this program include:

- ❖ Contra Costa County
- ❖ Los Angeles County
- ❖ Monterey County
- ❖ Riverside County
- ❖ San Diego County
- ❖ San Francisco County
- ❖ San Mateo County
- ❖ Santa Clara County

Supportive and Therapeutic Options Program (STOP)

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The Supportive and Therapeutic Options Program is intended to provide therapeutic and support services to children who are not eligible for, or cannot access needed services through Medi-Cal or other existing funding sources in order to prevent initial and subsequent out-of-home placements and facilitate and support successful transitions home and back into the community. The CDSS goal is for counties to provide family-centered, community-based services, including after care services that assure continuity of service delivery by maintaining already established relationships. STOP services may include, but are not limited to:

- ❖ Individual, group and family counseling
- ❖ Crisis response
- ❖ Educational and recreational services
- ❖ Vocational skills training
- ❖ Anger management
- ❖ Respite care
- ❖ Tutoring
- ❖ Day treatment
- ❖ Job counseling
- ❖ Parent education

County welfare departments may use their State General Fund STOP allocation to fund seventy percent of the total costs to provide these services. The remaining thirty percent of total costs is financed with county funds (e.g. social service realignment or county general funds).

Foster Care Services

County Welfare Departments are responsible for implementing California's Foster Care System, which provides care and maintenance for children who have been placed in out-of-home care or are at risk of being placed in out-of-home care. Counties implement California's foster care system through three separate programs. These programs include the federal foster care program, the state foster care program, and the Kinship Guardianship Assistance Payment (Kin-GAP) Program. This section briefly describes each of these foster care programs, the services that counties may provide through them, and the funding sources counties may access to finance the delivery of those services.

The federal and state foster care programs provide a monthly, per-child foster care maintenance payment to foster care providers who care for children who have been placed in out-of-home care. The foster care maintenance payment is made to the foster care provider to

cover the cost of purchasing and providing food, clothing, daily supervision, school supplies, personal incidentals, liability insurance with respect to the child, and reasonable travel to the child's home for visitation. In the case of institutional care, foster care maintenance payments may be used to finance the reasonable costs for administration and operation of the institution.

Each foster care provider's rate classification level (RCL) determines the amount of its foster care maintenance payment. Counties may claim Title IV-E federal funds at the Federal Medical Assistance Payment (FMAP) rate (currently 51.55%) for foster care maintenance payments made on behalf of children eligible for the federal foster care program. Counties finance forty percent of the remaining non-federal share with their foster care allocation and sixty percent of the remaining non-federal share with county funds.

The Kin-Gap Program will serve dependent children (i.e., those who have been adjudged a dependent of the juvenile court pursuant to Section 300 of the Welfare and Institutions Code) whose dependencies are dismissed when their relative caregivers assume legal guardianship. The Kin-GAP program provides a monthly payment to these legal guardians on behalf of the child. By July 1, 1999, the CDSS shall develop the payment rate for kinship guardians in collaboration with key representatives. Counties shall finance the Kin-GAP rate with three sources of revenue. The first source is the counties applicable per-child CalWORKs grant from federal funds received as a part of the TANF program block grant. Counties shall equally distribute the remaining cost of Kin-GAP payments among their Kin-GAP allocation and county funds (i.e. social services realignment funds).

SB 163 Wraparound Pilot

SB 163 (Chapter 795, Statutes of 1997) created a five-year pilot that allows participating counties to use state and county foster care funds to provide individualized Wraparound services to children and their families, who have been, or are at risk of being placed in a level 12, 13, or 14 group home.² Counties that wish to participate in the SB 163 Wraparound Pilot must submit a plan and request a specific number of "service allocation slots." A service allocation slot represents a specific amount of funds available to pay for an individualized Wraparound services package for an eligible child. A slot is equal to the monthly foster care maintenance payment that an

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RCL 13 group home provider receives for the care and supervision of a child (\$5,003). Each participating county uses its State foster care allocation to finance forty percent and county funds (i.e. social services realignment and county general funds) to finance sixty percent of each service allocation slot. To provide greater flexibility to meet the needs of children and families in the pilot, a county can pool the funds available for all of the service allocation slots.

Title IV-E Waiver Projects

Counties that are implementing a Title IV-E waiver project may use their Title IV-E FFP, foster care allocation, and county funds (i.e. social services realignment and county general funds) flexibly to provide one of three kinds of services to children, and their families, who are eligible for the federal foster care program:

- ❖ **Kinship Permanence:** Participating counties are able to continue foster care payments on behalf of adolescent children living with relatives after dismissal of dependency and establishment of custody or guardianship, provided specified conditions are met. Only children who will emancipate by the termination of the demonstration project will be allowed to enter the pilot.³
- ❖ **Extended Voluntary:** Participating counties are able to extend federal voluntary placements from six to as many as twelve months with management review and approval under specified conditions.
- ❖ **Intensive Services:** Participating counties are permitted to use Title IV-E funds for service costs necessary to reduce out-of-home placements and/or divert children in placement to less restrictive, more permanent, family settings.

Adoption Assistance Payments Program

Children with special needs may receive an adoption assistance payment to enable their adoptive parents to meet their special needs. Children with special needs include those who are determined to require assistance in order to remove barriers to their adoption created by virtue of their age, race, ethnicity, language, color; a mental, physical, emotional or medical condition certified by a licensed, competent professional; an adverse

parental background; or membership in a sibling group that must remain intact. County welfare departments negotiate the amount of the adoption assistance payment based upon the child's needs and the adoptive parents' income.

The adoption assistance payment is financed with a mix of federal, state, and county funds. The particular ratio of federal, state, and county funds depends upon whether the child is eligible for the Title IV-E federal adoption assistance payment program or the state adoption assistance payment program. Adoption assistance payments made for children who are federally eligible are financed with federal funds at the Federal Medical Assistance Payment (FMAP) rate (currently 51.55%). The non-federal portion of the federal adoption assistance payment is financed by a county's adoption assistance payments program allocation at seventy-five percent. The remaining twenty-five percent of the non-federal share is financed with county funds (i.e. social services realignment or county general funds). Adoption assistance payments made for children who are eligible for the state adoption assistance payment program are financed with a county's adoption assistance payments program allocation at seventy-five percent of the total cost. The remaining twenty-five percent is financed with county funds (i.e. social services realignment or county general funds).

Independent Living Program (ILP)

Current and former foster care youth age 16 to 21 may receive independent living services through the Independent Living Program (ILP). ILP services include:

- ❖ Independent living skills classes providing youth with knowledge about securing a job, money management, making decisions and choices, and building self-esteem;
- ❖ Skills training; and
- ❖ Financial assistance with college or vocational schools

Counties may use their ILP allocation to finance the entire cost of providing ILP services.

The CDSS also uses California's ILP appropriation to contract with the Community College Foundation to provide an ILP through fifty community colleges throughout California. It is the CDSS's intent for counties to coordinate their ILP services with the community colleges, which focus on college and career preparation

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as well as the traditional ILP services described above.

Finally, the CDSS has piloted a transitional housing placement program in nine counties that serves youth ages seventeen and eighteen who are in out-of-home placement under the supervision of the county social services or probation department, and are participating in an Independent Living Program.⁴ A transitional housing placement program may include any of the following types of services:

- ❖ Programs in which one or more participants in the program live in an apartment with an adult employee of the licensee
- ❖ Programs in which a participant lives independently in an apartment rented or leased by the licensee located in a building in which one or more adult employees of the licensee reside and provide supervision
- ❖ Programs in which a participant lives independently in an apartment rented or leased by a licensee under the supervision of the licensee if the CDSS provides approval

The pilot counties may use the youth's foster care maintenance payment (federal, state, and county funds) to finance such transitional housing placement programs. The CDSS intends to implement the transitional housing placement program statewide on a phased-in basis throughout 1999.

FOSTER CARE TRAINING AND ADMINISTRATION

Title IV-E appropriates federal dollars to reimburse states for a portion of their costs related to implementing the federal foster care program. There are two categories of activities related to foster care implementation for which federal reimbursement is available. Title IV-E FFP is available at seventy-five percent of the cost to train staff who implement the federal foster care program. The type of training for which states may claim Title IV-E FFP must be defined in the state's Title IV-B plan. Title IV-E FFP is also available at fifty percent of the cost to perform various foster care administrative activities that include the following:

- ❖ Referring children to services
- ❖ Preparing for and participating in judicial determinations
- ❖ Placing children
- ❖ Developing case plans
- ❖ Case reviews

- ❖ Case management and supervision
- ❖ Recruiting and licensing of foster homes and institutions
- ❖ Rate setting
- ❖ Agency overhead
- ❖ Data collection and reporting

While training costs are reimbursed at seventy-five percent and administration costs are reimbursed at fifty percent, the federal government requires states to allocate foster care training and administrative costs among all foster care programs implemented in the state. California complies with this requirement by allocating a percentage of each county's foster care training and administrative costs that is equal to each county's percentage of children in the foster care system that meet federal eligibility criteria. For example, a county would be reimbursed at the appropriate Title IV-E reimbursement rate for ninety percent of its foster care training and administration costs if ninety percent of children in the county's foster care system meet federal eligibility criteria.

California allows both county probation and social services departments to claim Title IV-E FFP for foster care training and administration. County probation departments must enter into an MOU with the county welfare department in order to claim Title IV-E FFP for foster care administrative activities. County probation staff must complete time studies. The county probation department must then determine a total amount of probation staff salary and benefits based on time study ratios that qualify for Title IV-E reimbursement. These totals and associated overhead costs are then submitted on an invoice to the county welfare department. The county welfare department processes the costs on the county expense claim for reimbursement. The CDSS passes the Title IV-E administration funds through the county welfare department to the probation department.

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¹ The State Family Preservation and Support Services Program allows participating counties to use their State General Fund Foster Care Allocation to deliver family preservation and support services. However, very few counties are actively participating in this program.

² It is important to note that the SB 163 Wraparound Pilot



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does not allocate new funds to counties and is cost-neutral to the State.

³ This portion of the Title IV-E waiver project is currently on hold. The CDSS is exploring how it may coordinate this waiver activity with the Kin-GAP program enacted in the 1997-98 legislative session.

⁴ ~~The CDSS intends to phase in statewide implementation of the transitional housing placement program beginning in 1999.~~

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