
Child Welfare Realignment: Just the Facts

Alliance for Children's Rights

Children Now

John Burton Foundation

Public Counsel

Wednesday, January 25, 2012

10:00 to 11:30

Web Seminar Process

- Call-in phone number for live audio:
(951) 266-6129; Access code: 608-319-457
- To submit live questions, click on the
“Question and Answer” arrow on your
screen, type your question, and click “Send.”

Goals of Presentation

- Introduce basic terminology of “Realignment”
- Review key issues to be considered by the Legislature
- Encourage in the conversation about Realignment

Today's Presenters

- Angie Schwartz, Alliance for Children's Rights
- Susanna Kniffin, Children NOW
- Amy Lemley, John Burton Foundation
- Martha Matthews, Public Counsel

What is Realignment?

- Assembly Bill 118 (2011)
- Fiscal policy that shifts responsibility for certain programs from the state to the counties, along with a specified funding source.

Stated policy goals of Realignment

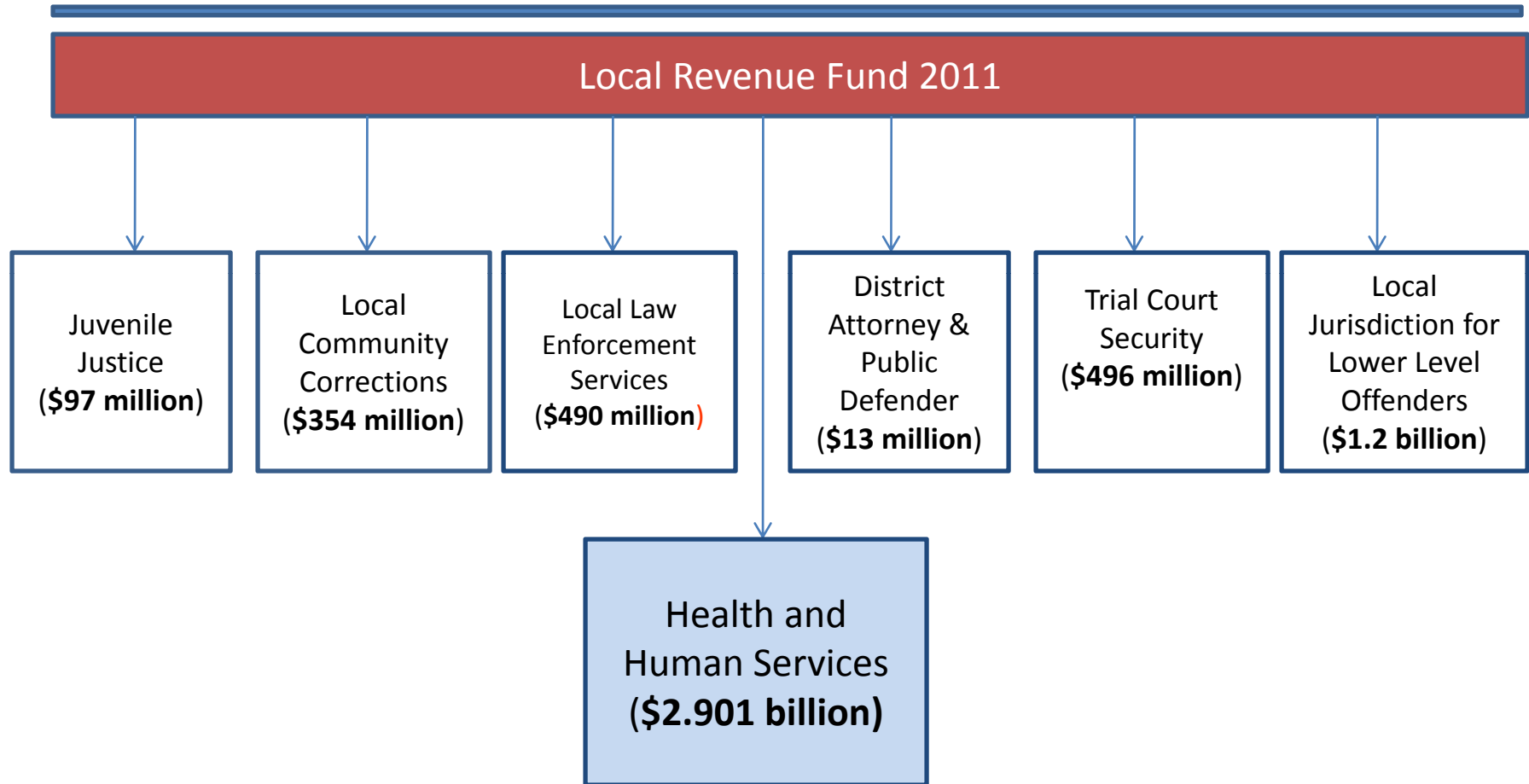
- “Protect California’s essential public services”
- “Have government focus on core functions”
- “Assign program and fiscal responsibility to the level of government that can best provide the service”
- “Interconnected services at a single level of government”
- “Dedicated revenues to fund these programs”
- “Provide as much flexibility as possible to the level of government providing the service”
- “Reduce duplication and minimize overhead costs”
- “Focus the state’s role on appropriate oversight, technical assistance, and monitoring of outcomes”

What is the fiscal effect of Realignment?

- State general fund savings
 - Reduction of Prop 98 obligation (\$2.1B): by depositing sales tax revenue into a special fund, these funds are not counted as state revenue for purposes of calculating the state's Prop 98 obligation
 - Using VLF to fund local law enforcement reduces state's costs by \$453 million

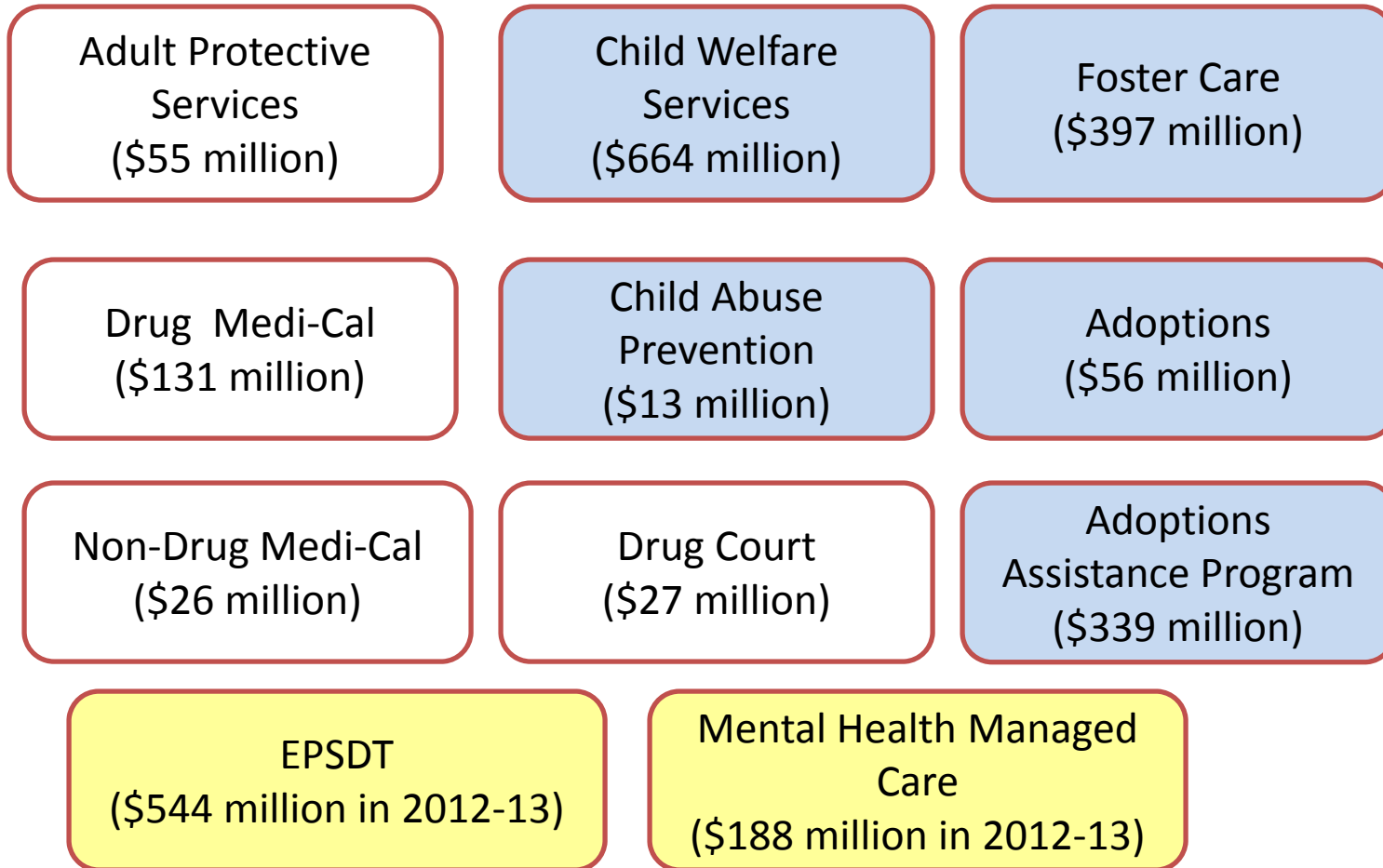
Source: Legislative Analyst's Office Report – August 19, 2011

What State functions were Realigned?



Source: Legislative Analyst's Office Report – August 19, 2011 & Governor's Budget Summary (2012-13)

What is included in the HHS Account?



Source: Legislative Analyst's Office Report – August 19, 2011 & Governor's Budget Summary (2012-13)

What types of programs are Realigned?

Entitlement Programs

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graph TD; A[Entitlement Programs] --> B[Non-Entitlement Programs Partially Federally Funded]; B --> C[Programs Formerly Funded by State General Fund];
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Non-Entitlement Programs Partially Federally Funded

Programs Formerly Funded by State General Fund

What specific programs are within the subaccounts?

Entitlement Programs

- Adoption Assistance Payments
- Foster Care Payments

Non-Entitlement Programs Partially Federally Funded

- State Family Preservation
- Foster Parent Training & Recruitment
- Substance Abuse/HIV Infant Program

Programs Formerly Funded by State General Fund

- Emancipated Foster Youth Stipends
- THP-Plus
- Kinship Support Services Program

What revenue source did Realignment shift to local government to fund these functions?

- Shift 1.065% sales tax: \$5,106,000,000
- Shift Vehicle License Fee: \$453,000,000
- Proposition 63: \$763,000,000 (2011-12 only)

What are the revenue projections for future years?

Figure 4

Revenues for Realignment

(In Millions)

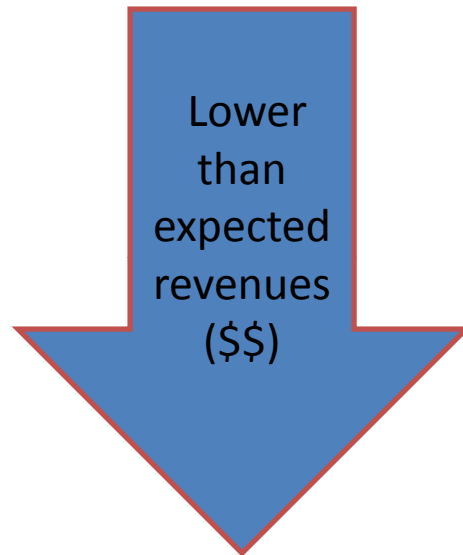
	2011-12	2012-13	2013-14	2014-15
Sales tax	\$5,106	\$5,571	\$6,015	\$6,388
Vehicle license fee	453	453	453	453
Proposition 63	763	—	—	—
Revenues	\$6,322	\$6,025	\$6,468	\$6,841

- Source: LAO Report, 2011 Realignment: Addressing Issues to Promote Its Long-Term Success (August 2011)

What are the expenditure projections for future years?

- No analysis available
- Common drivers of cost:
 - ✓ Case load growth due to population growth or increased incidence
 - ✓ Rate increases (e.g. group home)
 - ✓ Enrichment of programs (e.g. Kin-GAP, AB 12)
 - ✓ Growth in personnel costs

What if there is more or less revenue than expected?



Each program receives its proportionate share of the shortfall except:

- Mental Health Account
- Local Law Enforcement Services Account



Deposited into reserve accounts to fund entitlement programs:

- Foster Care
- Adoptions Assistance Program
- Drug Medi-Cal

If Realignment has happened, why haven't there been any notable changes?

- No significant policy changes to Realigned programs for the 2011-12 fiscal year.
- Realignment was primarily a fiscal change this year with policy details and implementation issues to be addressed during the 2012 legislative session.
- Major policy changes could begin as early as July 2012.

What are the potential policy implications of Realignment?

- Potential Positive Implications
 - Public safety develops a more integrated approach
 - Local flexibility and fiscal authority
 - Increased funding (in boom years)
- Potential Negative Implications
 - Services and supports may vary drastically from county to county
 - Reduced oversight and accountability by the state
 - Reduced funding (during times of fiscal crisis)

How did Realignment in 1991 and 2011 change the State/County non-federal share of cost?

<u>Foster Care</u>	Prior to	1991	2011
Non-Federal Share of Cost	1991	1991	2011
State	95%	40%	0%
County	5%	60%	100%

<u>Adoptions Assistance</u>	Prior to	1991	2011
Non-Federal Share of Cost	1991	1991	2011
State	100%	75%	0%
County	0%	25%	100%

<u>Child Welfare Services</u>	Prior to	1991	2011
Non-Federal Share of Cost	1991	1991	2011
State	76%	70%	0%
County	24%	30%	100%

How does the Administration/CSAC proposal compare to 2011 Realignment?

	2011 Realignment	Administration/CSAC Proposal
Account Structure	8 Accounts; 12 Subaccounts	2 Accounts; 9 Subaccounts
Transferability	No transferability between Accounts or Subaccounts	<ul style="list-style-type: none"> • No transferability between Accounts • Limited transferability between Subaccounts of the Support Services Account beginning FY 12-13 • Local option to transfer between Subaccounts of the Law Enforcement Services Account beginning FY 15-16
Allocation & Base	<ul style="list-style-type: none"> • Funding generally allocated based on historical spending 	<ul style="list-style-type: none"> • Funding generally allocated based on historical spending • Base not expected to experience year-over-year decrease • Rolling base for each Subaccount

How does the Administration/CSAC proposal compare to 2011 Realignment?

	2011 Realignment	Administration/CSAC Proposal
Revenue Shortage	Each program receives its proportionate share of the shortfall except Mental Health Account & Local Law Enforcement Services Account	<ul style="list-style-type: none"> • Unspecified statutory mechanism to address revenue shortfall
Excess Revenues (Growth)	Deposited into reserve accounts to fund entitlement programs: <ul style="list-style-type: none"> • Foster Care • Adoptions Assistance Program • Drug Medi-Cal 	<ul style="list-style-type: none"> • Growth funding distributed on proportional basis first among Accounts, then Subaccounts • Within Subaccounts, federally required programs receive priority • Growth funding for CWS a priority; \$200 million augmentation to CWS
Fiscal Protections	N/A- All programs protected for the year	State passes new laws: 100% Federal court case or settlement: 50% Federal government changes program: 50%

Under Realignment, what is the role of CDSS?

- Governor's Budget Summary requires state agencies including CDSS to reduce budget and operations by 25%

But...

- CDSS is still the “single state agency” required by Title IV-B and IV-E to distribute federal funds and oversee administration of CA's child welfare system.

CDSS's Role After Realignment

- Distribute funds to counties
- Ensure “statewideness” of child welfare state plan
- Conduct monitoring (C-CFSR), enforce compliance, and report to federal agency
- Set system improvement goals and plans
- Coordinate with related programs (MediCal, public benefits, Title XX, etc.)
- Operate statewide information system.
- Develop and implement licensing standards
- Address interstate and tribal issues

How will adoptions change?

- Adoptions – CDSS will no longer do dependency adoptions (unless counties choose to contract with CDSS), but will still do independent adoptions.

What federal and state mandates still apply?

- CA receives Title IV-B and IV-E funding, and must comply with “state plan” requirements (42 USC §§ 622, 671) or lose federal \$\$.
 - CDSS must ensure counties’ compliance
- Welf. & Inst. Code §§ 300 et seq. & 16000 et seq. still in effect – county agencies must comply or be subject to court enforcement.

Key Title IV-B and IV-E “state plan” requirements

- Reasonable efforts to prevent out-of-home placements, reunify families, place siblings together and find permanent homes for children
- Case plan and case review
- Recruitment and training of foster parents.
- Education and health care for foster children

Federal performance measures

- Children are protected from abuse and neglect
- Children are safely maintained at home
- Children have stability and permanency
- Family relationships and connections are preserved
- Families have increased capacity to care for children's needs
- Children get appropriate education
- Children get appropriate physical and mental health care

Federal system measures

- Statewide information system
- Service array for children and families
- Case review system
- Staff training
- Quality assurance system
- Agency responsive to community
- Foster/adoptive parent recruitment, licensing, and retention

Monitoring

- C-CFSR has 4 components:
 - Quarterly data reporting by counties to CDSS
 - County self-assessments (CSAs)
 - Peer quality case reviews
 - County system improvement plans (SIPs)
- Widespread noncompliance in 2008 C-CFSR led to statewide Performance Improvement Plan (January 2010) with federal agency

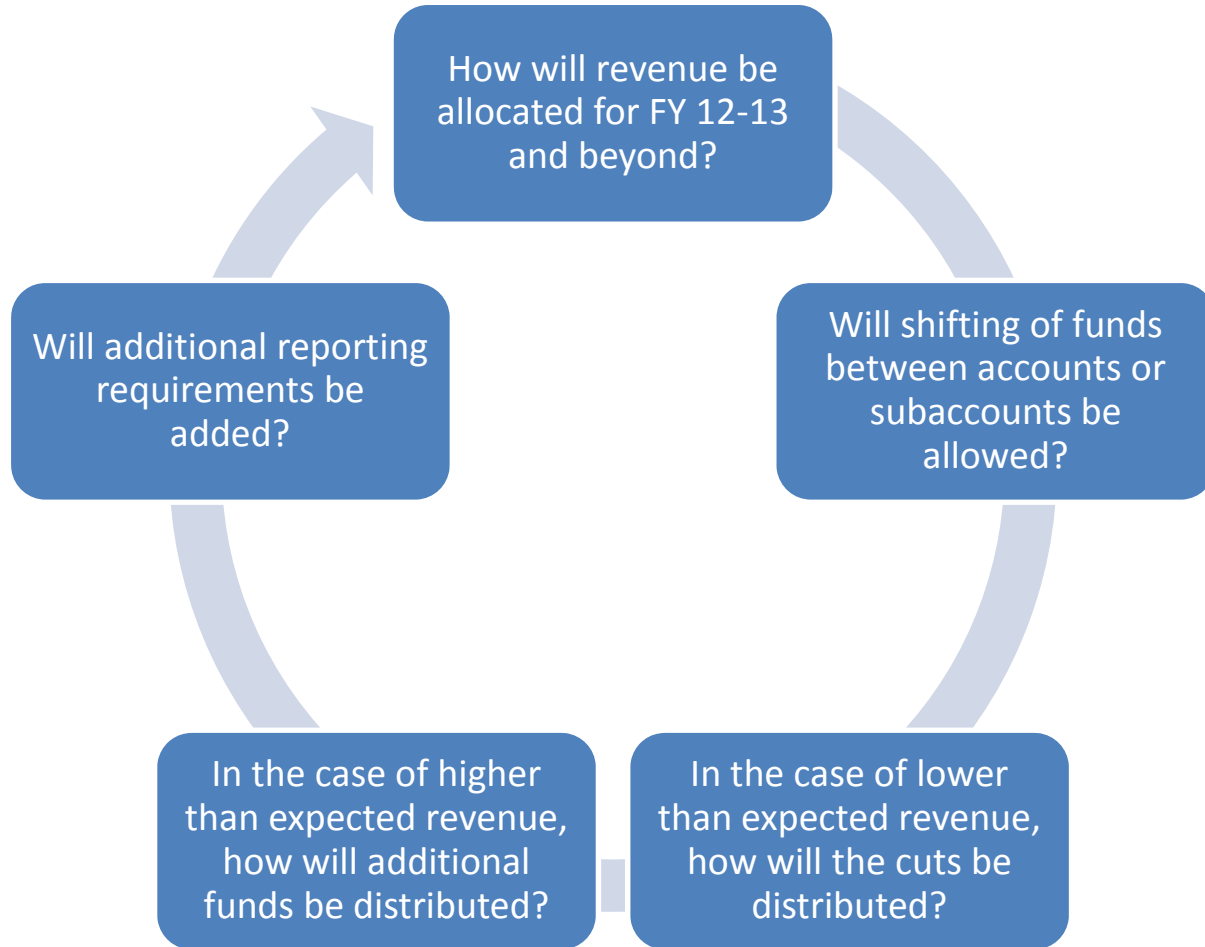
Enforcement

- If county SIPs do not lead to compliance, CDSS can, under WIC §§ 10601.2, 10605
 - Bring action for injunctive relief
 - Hold a hearing re administrative remedies
 - Withhold funds
 - Assume direct control of county child welfare system
- If state PIP does not lead to compliance, feds can withhold Title IV-B/IV-E funds

Accountability after realignment?

- Counties will have direct control of child welfare funds, but must still use federal cost-accounting system to get FFP
- Counties must still comply with state and federal mandates, but can choose how to allocate funds within child welfare system and can eliminate non-mandatory programs.
- CDSS must still monitor compliance through C-CFSR process, or risk losing federal \$\$\$
 - Under realignment, counties will likely share this risk

What are some questions to be considered when the Legislature revisits Realignment?



If I want to get involved, what can I do?

Provide your information to learn about how to:

- Attend upcoming informational briefings;
- Learn more about how Realignment may affect specific programs;
- Endorse a set of child-focused policy recommendations on Realignment
- Educate legislators through meetings and letters
- Inform the general public to promote their engagement

Question or Comments?

Enter questions on your screen now by clicking the “Question and Answer” arrow, typing your question, and clicking “Send.”

Or direct later questions or comments to:

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