

Understanding the Approved Relative Caregiver Funding Option Program



Today's Webinar

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What We Will Cover

- Historical Context: Kinship Foster Care in California and the Need for the Approved Relative Caregiver Funding Option Program
- The Approved Relative Caregiver Funding Option Program
 - Program Details
 - Fiscal Details
 - Opportunities and Risks
- Next Steps
- Questions



Today's Presenters

1. Angie Schwartz, Alliance for Children's Rights
2. Greg Rose, California Department of Social Services
3. Frank Mecca, County Welfare Directors Association
4. Farrah McDaid Ting, California State Association of Counties

Acronyms for Funding of Our Child Welfare Programs



- **AFDC:** Aid to Families with Dependent Children (welfare program for low-income families with children prior to 1996)
- **AFDC-FC:** Aid to Families with Dependent Children-Foster Care (ie: foster care benefits, which can be either federally-funded or state-only funded)
- **CalWORKs:** CalWORKs is California's TANF program
- **TANF:** Temporary Assistance to Needy Families (current welfare program for low-income families with children)
- **Title IV-E:** Federal foster care benefits

Historical Context: Kinship Foster Care in California and the Need for the Approved Relative Caregiver Funding Option Program



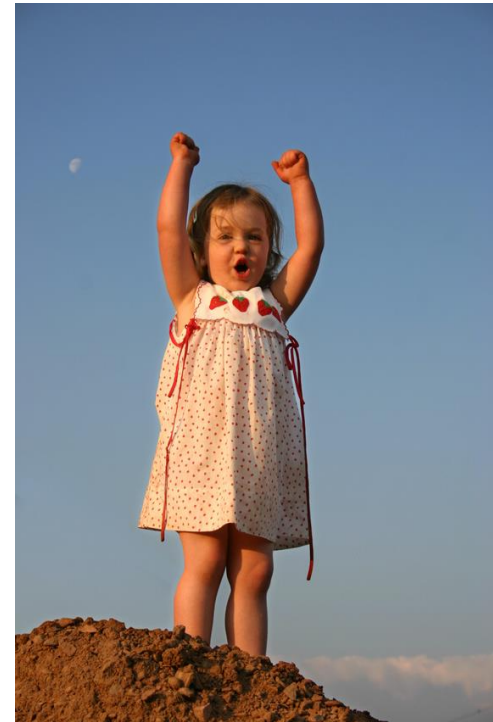
Relative Placement... It's the Law!



- Federal and state law require relatives to be given preference in the placement of foster children:
 - States must “consider giving preference to an adult relative over a nonrelated caregiver when determining placement of a child, provided that the relative caregiver meets all of the relevant state child protections standards.” [42 USC §671\(a\)\(15\)\(A\)](#)
 - Statutory preference for relative placements in state law. [Fam Code § 7950\(a\)\(1\)](#); [WIC §§ 361.3, 16000](#).
 - Whenever safe a child should be placed with a relative. [WIC § 361.3\(a\), \(e\)\(1\)](#).
 - Social workers have duty to seek out relatives for assessment and placement. [WIC § 361.2](#).
 - Relatives must be notified within 30 days of child entering foster care. [WIC § 309](#).

Relative Caregivers Support Child Well-Being

- Research has shown that children in kinship care have:
 - Fewer prior placements
 - More frequent and consistent contact with birth parents and siblings,
 - Felt fewer negative emotions about being placed in foster care than children placed with non-relatives



Overview: Relative Home Approval

- Relatives get approved; non-relatives get licensed. BUT the standards are the SAME!
- Both relatives and non-relatives must have the ability to care for the child, clear a criminal background check, and pass a home inspection.
- The only difference is that relatives do not have to complete training requirements.



Demographics of Kinship Foster Parents

- **Senior Citizens:** 15 – 20% of relative caregivers are over the age of 60
- **Fixed Incomes:** 39% of kinship households live below the federal poverty line
- **Disabled:** 38% of kinship caregivers have a limiting condition or disability
- **Limited advance training:** Kinship foster parents receive little, if any, advance preparation in assuming their role as caregivers. No training required by the state.

Disconnect Between Policy Preference for Relative Caregivers and Funding Available

- Two identical foster children who are **federally eligible** receive identical funding, regardless of placement:

Naomi: placed with a Non-Relative Foster Parent	\$820 (federal foster care)
Rachel: placed with Grandma	\$820 (federal foster care)

- But when those same two foster children are NOT federally eligible, youth placed with a relative receives less support:

Naomi: placed with a Non-Relative Foster Parent	\$820 (state foster care)
Rachel: placed with Grandma	\$369 (CalWORKs)

Inequities Exacerbated for Relatives Caring for Siblings

If Rachel and Naomi are placed with their sibling who are also **not federally eligible**, the inequities are even greater

Naomi + sibling: placed with a Non-Relative Foster Parent	\$1,640 (state-only foster care)
Rachel + sibling: placed with Grandma	\$606 (CalWORKs aka TANF)

**** Law is changing as of January 1, 2015 when the Approved Relative Caregiver Funding Option Program becomes available!!**

Failure to Support Foster Children with Kin: Penny Wise, Pound Foolish

- Group Home Annual Costs: **\$102,348/year** for 1 youth at RCL 12 (52% of youth in group homes placed in this level)
- Foster Family Agency Annual Costs: **\$23,724/year** for 1 youth ages 15 – 20 receiving the treatment rate (includes the social work and administration costs)
- **Foster Family Home: \$9,840/year** for a 15-year old to be supported in a non-relative home or a federally-eligible relative's home
 - **Relative foster parents caring for the same 15-year old who is non-federally eligible child receive a maximum of \$4,428/year, which is so low that it threatens placement stability and impacts child outcomes**

In Sum...

“Kinship caregivers are often required to provide the same nurturance and support for children in their care that non-kin foster parents provide, with fewer resources, greater stressors, and limited preparation. This situation suggests that kinship care policies and practices must be mindful of and attentive to the many challenges kin caregivers face.”

-- Rob Geen, “The Evolution of Kinship Care Policy and Practice”

Opportunity to Better Support Families: The Approved Relative Caregiver Funding Option Program



PROGRAM DETAILS

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General Overview & Program Detail

- Established in Budget Trailer Bill SB 855 (W&I Code 11461.3) signed into law by Governor Brown on June 20, 2014.
- Intended to pay approved relative caregivers of children ineligible for AFDC-FC a payment equal to the basic rate paid for other children who are AFDC-FC eligible.
- Program starts January 1, 2015
- Optional for counties to participate (more on this later)

General Overview & Program Detail

Criteria for relatives to receive assistance under this program:

1. Home must meet approval standards
2. Child must be placed with the approved relative in CA
3. Child must have been removed from the home and under CWS or Probation jurisdiction
4. Child is not eligible for federal financial participation for the AFDC-FC payment.



General Overview & Program Detail

Opting-in and Opting-out:

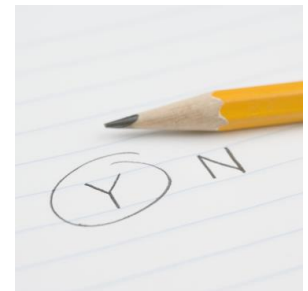
- Counties must opt-in by October 1, 2014. Must provide written notice to DSS.
- Each year – by Oct 1 – additional counties not yet participating may opt in for the upcoming calendar year.
- Once opted-in counties are presumed to continuously participate unless they opt-out.



General Overview & Program Detail

Opting-in and Opting-out:

- Counties may opt-out at any time but must provide at least 120 days written notice to CDSS and 90 days written notice to approved caregivers.
- Presumes all counties opt-out if State funding is reduced, but allows counties to opt back in with written notice to DSS within 60 days of the budget enactment. Counties must still provide 90 days written notice to relatives if reducing payments.



Why is the Program Optional?



- Realignment and Prop 30 fundamentally changed the funding responsibilities of the state and counties with respect to the foster care program

General Overview & Program Detail

Benefit Details:

- Rate is equal to the AFDC-FC basic rate paid to licensed foster families which varies by age of the child.
 - Annual adjustments are made to the basic rate January 1 each year based on changes to CNI (on a calendar year basis)
- Relatives **may** receive educational travel reimbursement.
 - Calculated separately on a per-child basis, pursuant to current state guidelines.
- **Not** eligible for:
 - County supplementary clothing allowances
 - Specialized care increments (SCI)
 - Infant supplements.



General Overview & Program Detail

Additional program elements:

- Relative is not eligible to receive additional CalWORKs payments on behalf of a child receiving funding under the new program
- Payment under this program is exempt as income in determining eligibility for other benefits, subject to federal law.
- Allows for the suspension of child support collections, consistent with the treatment of AFDC-FC eligible caregivers.
- Out-of-County Placements: New law is silent on this. Regulations may be needed to clarify.
- Out-of-State Placements: The child must reside in CA to receive payments under the new program

FISCAL OVERVIEW



Funding Available



- Funding is appropriated annually on a calendar year basis by WIC Section 11461.3 (SB 855, Chapter 29, Statutes of 2014).
- \$30 million General Fund is available beginning January 1, 2015 through December 31, 2015 to fully fund the base caseload.
- Each year the \$30 million will be increased by the California Necessities Index (CNI), which is the same inflationary adjustment provided to existing Foster Family Home rates.
- In addition to the \$30 million, the TANF funding that is currently being used to provide the applicable per-child CalWORKs grant to these cases will also be utilized by the state to fund this new program.

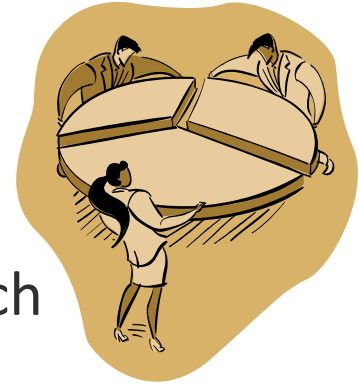
Base Caseload and True-Up



- The base caseload is comprised of each county's non-federally eligible approved relative caregiver caseload as of July 1, 2014, as jointly determined by CWDA and CDSS (and approved by the Department of Finance).
- On or before October 1, 2015, the base caseload will be finalized. Once finalized, the base caseload (for each county and statewide) does not change.
- If the \$30 million GF provided is insufficient to fully fund the finalized base caseload, the necessary amount of additional GF to fully fund the base caseload shall be provided.
- The new total amount will become the new base funding amount, which will be increased annually by the CNI.

Distribution of Base Funding and Funding Caseload Growth

- Each participating county shall annually receive an amount of funding sufficient to fully fund its base caseload. That funding amount will be increased each year by the CNI.
- There is no additional county share of the costs of funding the base caseload.
- If there is caseload growth beyond the amount of base caseload, participating counties will be responsible for fully funding those additional costs to their counties.
- If the entire amount of base funding available statewide is not fully allocated in any year, a participating county may request reimbursement for any county funds it has used



Funding for Counties Opting-in After First Year



- Every year, the total amount of GF provided will be sufficient to fully fund all counties' base caseload (the caseload as of July 1, 2014) plus all applicable CNI increases, whether or not all counties are participating each year.
- Therefore, there will always be base funding – funding sufficient to fund a county's base caseload plus any applicable CNIs – for any year in which a county opts to participate.
- If a county does not opt in for the first year, the county can opt in for any future year and still receive full funding for the county's base caseload plus any applicable CNIs.

Outstanding Fiscal Issues

There are several technical and process questions that will be addressed in the coming months:

- All counties' base caseloads will be determined.
- The specific distribution of base funding to all participating counties will be determined.
- The process by which participating counties can apply for reimbursement of county funds expended to fund a county's caseload growth will be determined.
- Claiming instructions will be developed.





RISKS AND OPPORTUNITIES



Real Opportunities for Kids



- Opportunities for counties to step kids down from higher-level placements, including group homes, into relative caregiver homes with proven better outcomes.
- Supports local efforts to improve child welfare outcomes for children, including (and not limited to) reducing placement disruptions, increasing placement stability, placing in lower-levels of care.
- Addresses child and family poverty and will help to mitigate against the adverse impacts of being raised in poverty.

Opportunities For Participating Counties

- The Approved Relative Caregiver Funding Option Program will allow participating counties to:
 - Leverage state funding for better, less expensive placement options for at-risk youth
 - Rely on a set county-by-county base amount of funding that is predictable and indexed annually.
 - Seek additional funding above the base amount if funds remain unused within a fiscal year.
 - Retain any savings from anticipated step-down in placement levels for individual children
 - Exercise opt-in and opt-out provisions due to changing conditions at the local, state, and federal level.

Exploring the Potential Risks

- Potential Risk: State funding is “fixed” (to the 2014 caseload) and will be based on “to be developed” county data. **BUT:**
 - Funding is not completely fixed at \$30 million - will increase if caseload size as of 2014 is larger than budgeted
 - Law requires additional analysis by Oct 1, 2015 and if funding insufficient, State will increase the base funding
 - Includes annual CNI inflator effective every January 1 that will be added into the base

Exploring the Potential Risks (con't)

- Potential Risk: There is a chance that demand could exceed resources and counties would have to pay the difference.

BUT:

- This is not likely – would need a very large caseload increase
 - Counties more likely to experience savings as they can place with better-supported relatives to care for foster children and thus divert resources from more expensive placement settings
- Potential Risk: As with any statutory fiscal program, there is always the potential for state law changes or mandates down the road. **BUT:**
 - Counties retain the ability to opt-out at any time.

NEXT STEPS



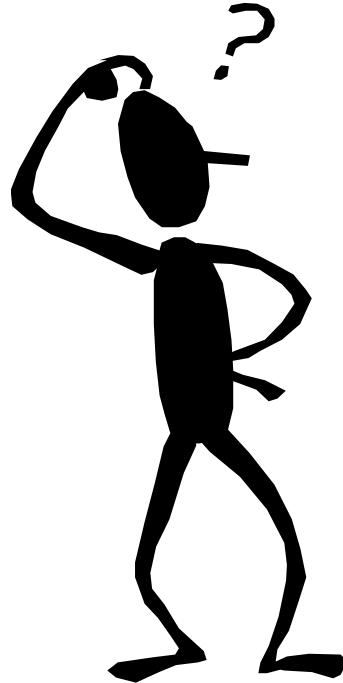
Process and Next Steps

- CDSS/CWDA must jointly develop the baseline caseload, approved by DOF.
- CDSS will issue instructions to counties for opting-in via All County Information Notice (ACIN)
- County agencies will need to send written notification to DSS, in most cases after discussion with local Boards of Supervisors.
- CDSS, working with counties, will continue to meet to resolve any programmatic, fiscal, and technological issues needed to implement the program.

Summary

- Relatives are a vital resource and deserve to be adequately supported to care for children in the foster care system.
- The Approved Relative Caregiver Funding Option Program is a significant State investment in relative caregivers and aligns with other CA efforts to support family-based care, including Katie A. and Continuum of Care Reform.

QUESTIONS?



You can also email questions to:

ARCFO@dss.ca.gov