

# ***Child Welfare Waivers What's Next for States***

## **Florida's Child Welfare Waiver**

**Human Services and Welfare Committee**

**NCSL Fall Forum**

**November 30, 2011**

**Tampa, Florida**

**Don Winstead**

***WinsteadConsulting.com***

# Title IV-E Waiver

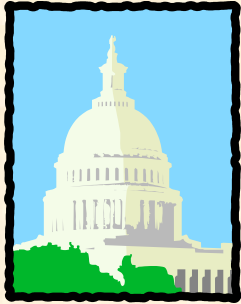
## The Waiver in brief

- The waiver allows federal foster care funds to be used for a wide variety of child welfare purposes rather than being restricted to out-of-home care, as is normally the case under title IV-E of the Social Security Act.
- This permits funds to be used for child welfare services including prevention, diversion from out-of-home placement through intensive in-home services, reunification, when this can be accomplished safely and permanency as well as for foster care.
- The State receives a defined amount of federal funds for foster care over a five year period.
- Adoption assistance funds continue to be received on a federal/state matching basis.
- Savings in federal, state or local funds must be used to further provision of child welfare services.
- An independent evaluator will assess the effectiveness of the demonstration based on program outcomes.

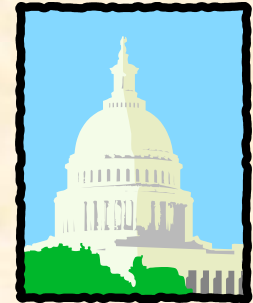
## Key Advantages

- The demonstration puts funding incentives in line with program goals and good practice. For children who can safely remain in their home with appropriate services or be returned home through appropriate reunification services, this can provide an alternative to children entering or remaining in expensive out-of-home care.
- For children who can not safely remain in the home or return home, the focus should be on moving the children towards permanence through adoption or other appropriate alternative.

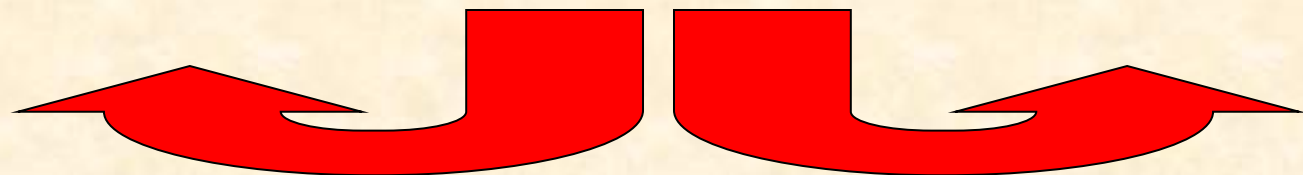
# A Continuum of Services & Funds Pre-Waiver



*From:*  
*Money Follows the Federal*  
*Requirements*



Prevention	In-Home Services	Other Out-of-Home Care	Relative Caregiver	Services toward Adoption and Other Permanency Options
		IV-E Foster Care		IV-E Adoptions



Reunification

Permanency

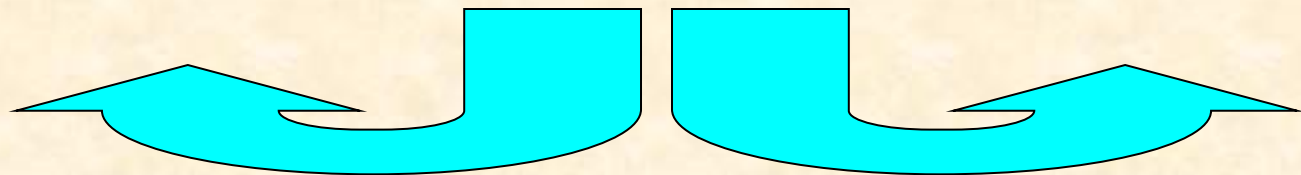
# A Continuum of Services & Funds Waiver



***To:***  
***Money Follows the Child***



Prevention	In-Home Services	Other Out-of-Home Care	Relative Caregiver	Services toward Adoption and Other Permanency Options
		IV-E Foster Care		IV-E Adoptions



Reunification

Permanency

# Funding

- The waiver has provided fixed, stable funding based on cost-neutrality – what the state would have spent in the absence of the waiver.
- The waiver terms established a reasonable ceiling for federal funds for adoption assistance designed to continue to encourage adoption through a matching federal/state funding arrangement.

# Federal Foster Care Funding Under the IV-E Waiver

*In Millions*



Note: FFY 2009, 2010 and 1<sup>st</sup> quarter 2011 include additional funds due to temporary Recovery Act increase.

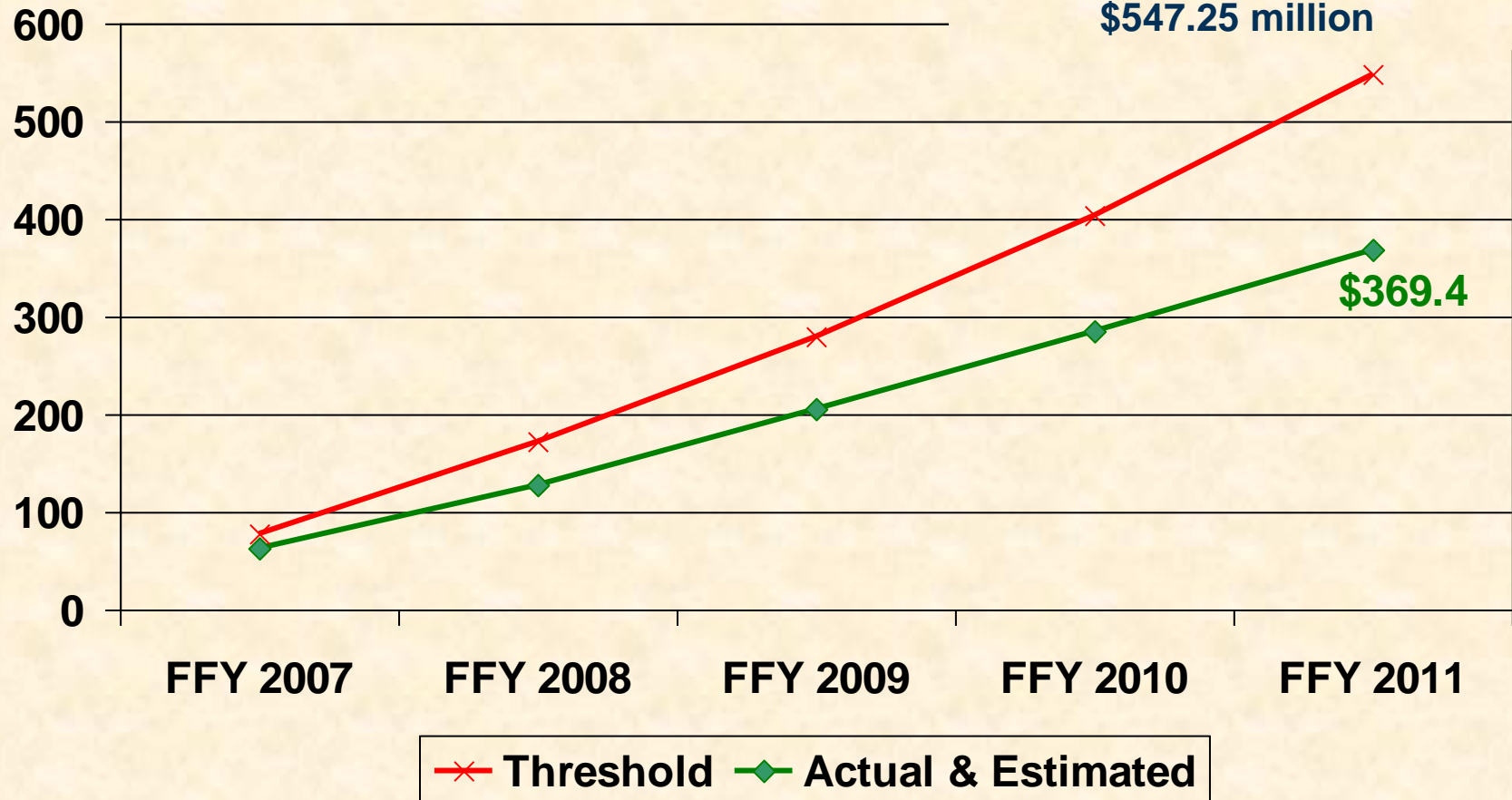


# Adoption Assistance

## Cost Neutrality Threshold Under the IV-E Waiver

Cumulative Threshold

\$547.25 million

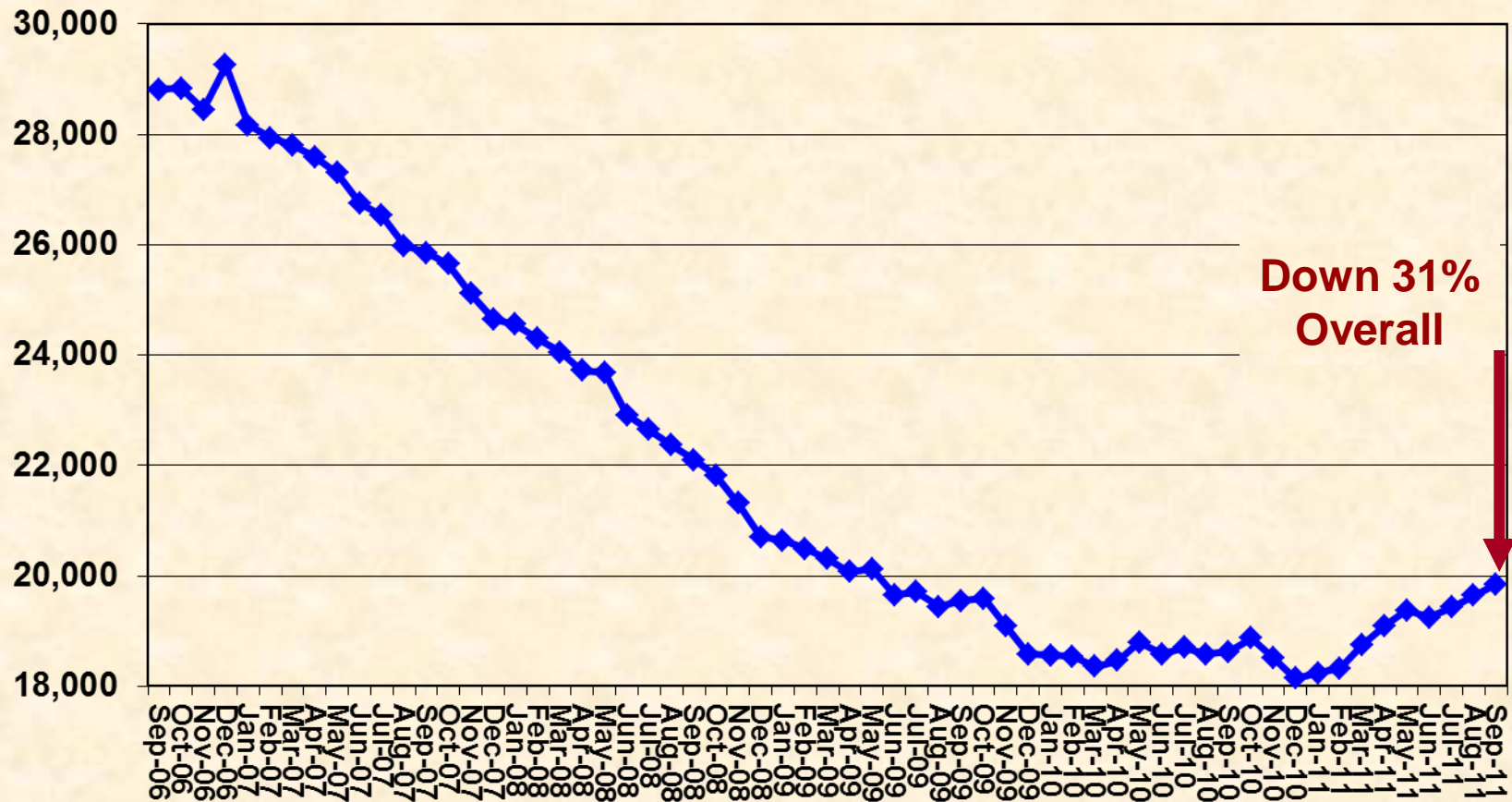


# Key Trends



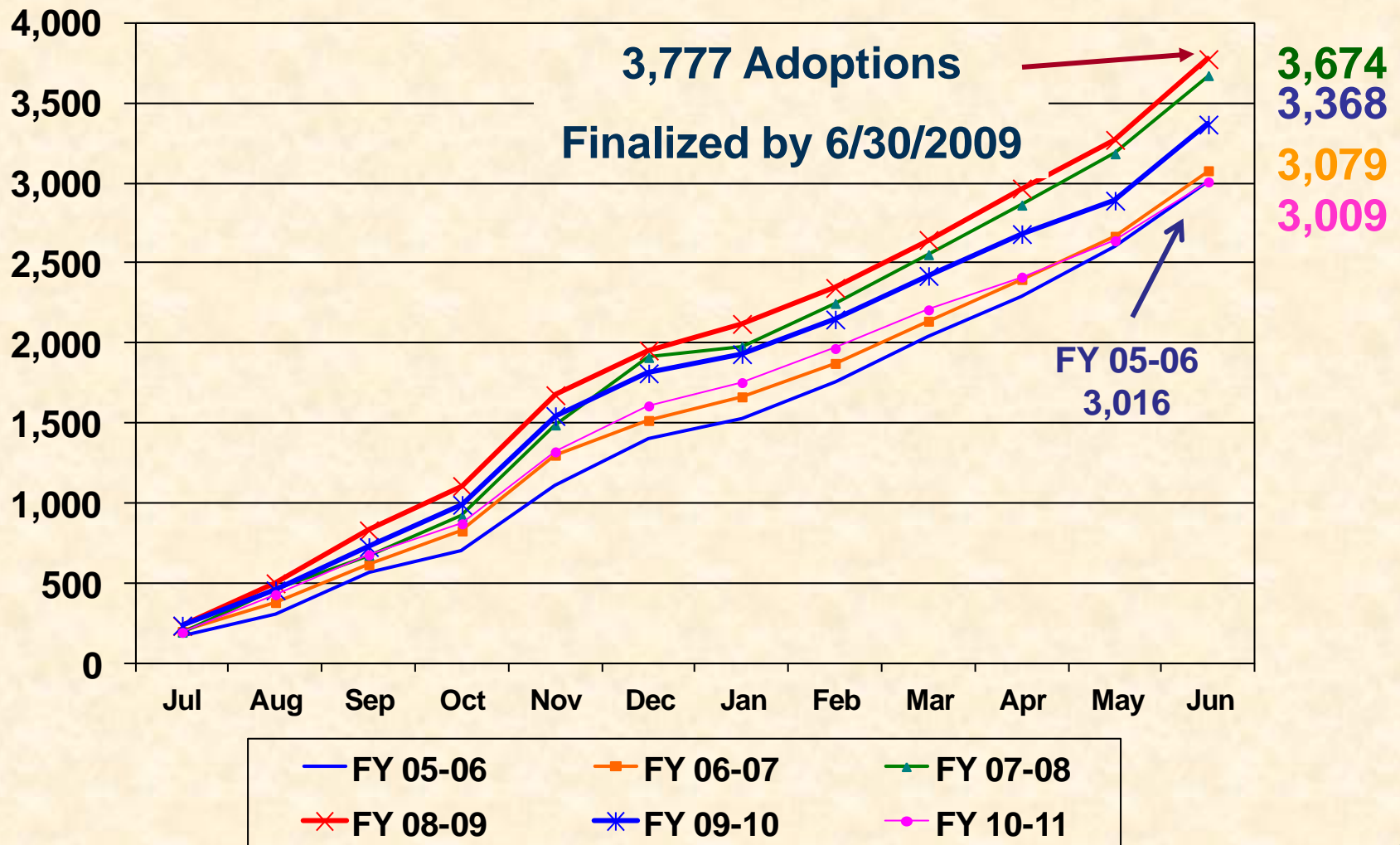
# Children in Out-of-Home Care

September 30, 2006 to September 30, 2011



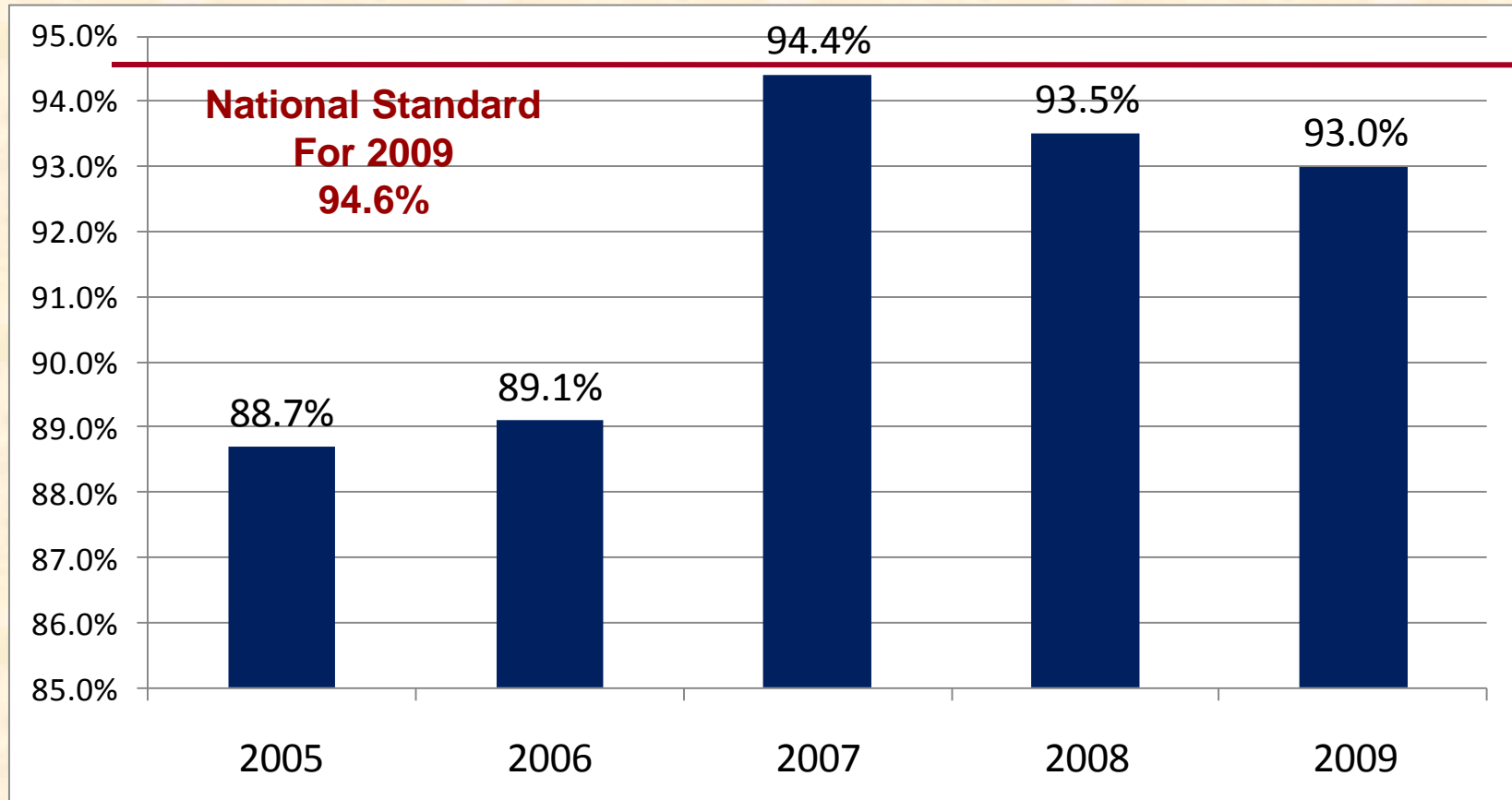
# Adoptions Finalized

## Cumulative by State Fiscal Year



# Child Safety Indicator

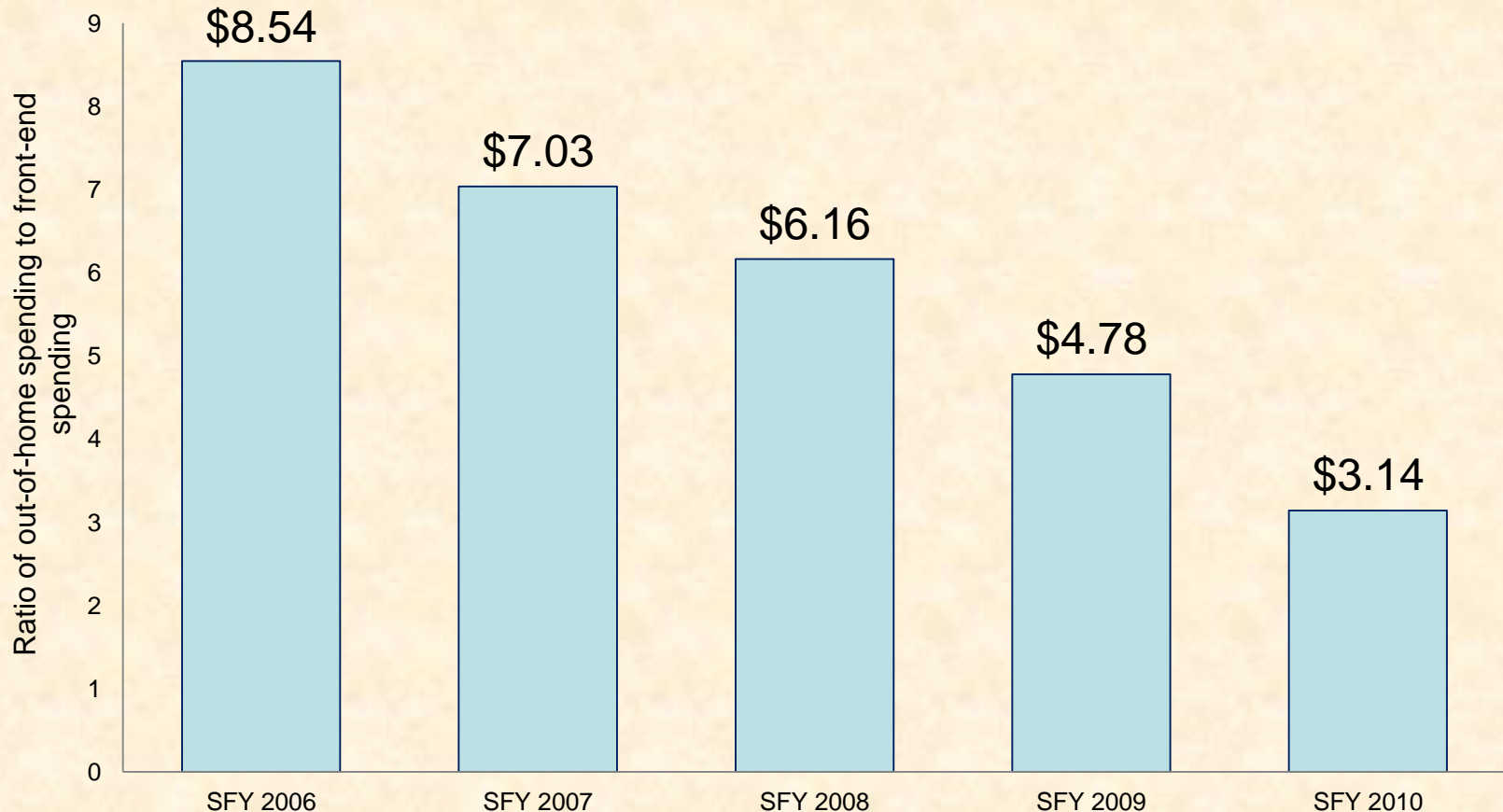
## Absence of Recurrence of Abuse



# The Bottom Line

## Significant Ratio Change

Ratio of out-of-home care expenditures to prevention/ family preservation/ In-home expenditures



Source: *IV-E Waiver Demonstration Evaluation: Semi-Annual Progress Report 8, SFY 10-11.* (December 22, 2010). Florida Mental Health Institute

# **Independent Evaluation**

# Evaluation

Florida's IV-E child welfare waiver is being evaluated by the Florida Mental Health Institute at the University of South Florida.

The evaluation design is centered around **four hypotheses**:

- Fewer children will need out-of-home care.
- There will be improvements in child outcomes, including permanency, safety, and well-being.
- The waiver will lead to changes in or expansion of the existing child welfare service array based on the unique needs of communities.
- There will be a decrease in the proportion of expenditures on out-of-home care and an increase in the proportion of expenditures on prevention and in-home services.



# Findings To Date

- Since Waiver implementation during SFY 06-07, the number of children served (both in-home and out-of-home) has decreased by 29%. Specifically related to this hypothesis, there has been a **significant reduction (27.6%) in the average number of children served in out-of-home care** during this period.
- Compared with SFY 07-08, there was a **significant increase in the number of children reunified or placed with relatives**. Among youth that exited care during SFY 07-08, the average proportion of children who reentered out-of-home care within 12 months after their discharge was 9.6%, indicating a significant reduction when compared to SFY 06-07.
- Since implementation of the IV-E Waiver, all of the CBC lead agencies have reported an **expansion of their service array**. In addition, several **innovative practices** were identified that have been implemented or expanded since the Waiver.
- There have been notable changes in the composition of spending statewide since the Waiver was implemented. **Total spending on front-end services has increased dramatically** from pre-Waiver to the second full year after Waiver implementation. After adjusting for inflation, front-end service expenditures nearly doubled during that time, rising from 3.3% of total expenditures in SFY 05-06 to 6.1% in SFY 08-09. Additionally, **licensed out-of-home care expenditures have steadily decreased** since Waiver implementation, both in total and compared to relative spending on front-end services.



# Waiver Phase 2

- On July 23, Florida sent a **formal request to HHS requesting a 5 year extension** of the Waiver – from October 1, 2011 – September 30, 2016.
- Elements of the request include
  - Much of the same “success” data contained earlier in the presentation.
  - Request for extension under the **same terms and conditions**.
  - Statement that it is Florida’s view that any implementation of the Fostering Connections Act would be **outside the Waiver**, thus, can be charged to Title IV-E separately for **additional federal earnings**.
  - Future evaluation should focus on more detail around specific, effective services on the front end, as well as strategies for reducing specific sub-groups in out of home care.

# Federal Response

- On Sept. 13, a response was received from ACF.
- A **ten month extension was approved** to permit completion of the final evaluation and review of the results.
- The extension continues **all current waiver terms** and conditions.
- This extends the waiver to **July 31, 2012**, four months beyond the due date for the final evaluation.
- ACF will make a **final decision** on extension for a full five years after review of the final evaluation report.

# The Child and Family Services Improvement and Innovation Act (Pub. L. 112-34)

- **Amends section 1130** of the Act to allow HHS to approve up to 10 new child welfare waiver demonstration projects in each of FYs 2012-2014, and provides new application and eligibility criteria.
- **Tribal Eligibility:** An Indian Tribe, Tribal organization or consortium approved to operate a title IV-E program is eligible to apply to conduct demonstration projects.
- **Duration of Demonstration Projects:** New demonstration projects may be conducted for up to five years, and extended with HHS approval. However, all current and new projects must end by September 30, 2019.

# Goals of Demonstrations

Applicants must demonstrate that the proposed project is designed to accomplish one or more of the following goals:

- To **increase permanency** by reducing time in foster care and promote successful transition to adulthood for older youth;
- To **increase positive outcomes** for infants, children and families in their homes and communities, including Tribal communities, and improve the safety and well-being of infants, children and youth; or
- To **prevent child abuse and neglect and re-entry** into care (section 1130(a)(3)(A) of the Act).

# Application Requirements

- Applicants must **demonstrate readiness** to implement the proposed demonstration project by providing a narrative description of the title IV-E agency's capacity to effectively use the authority that describes changes or planned changes in the policies, procedures or other program elements that will enable the title IV-E agency to successfully achieve the goal or goals of the project (section 1130(a)(3)(B) of the Act).
- Applicants for new demonstration projects **must** now **account** in the application **for Federal, State, local and private investments used in the past two FYs** for the services that will be provided under the waiver and pledge to submit an annual accounting (section 1130(e)(7) of the Act).



# Requirement to Implement Child Welfare Program Improvement Policies

- In order to be approved to conduct a demonstration project, the title IV-E agency **must implement at least two “child welfare program improvement policies”** within three years of the application.
- One of the program improvement policies may have been implemented prior to the submission of the application, but **at least one policy must be new**. The policies are listed in statute and include, but are not limited to:
  - extending title IV-E assistance up to age 21,
  - electing to operate a title IV-E guardianship assistance program,
  - establishing a child welfare bill of rights for children in foster care, and
  - implementing plans for meeting the comprehensive health and mental health care needs of children in foster care, through such means as ensuring that the child has a medical home and regular wellness medical visits, and when appropriate, addressing the issue of trauma (sections 1130(a)(3)(C) and (7) of the Act).

# Evaluation & Cost Neutrality

- **Evaluation:** Pub. L. 112-34 retains statutory requirements for each title IV-E agency authorized to conduct a demonstration to obtain an **evaluation by an independent contractor** of the effectiveness of the project, using an evaluation design approved by HHS (section 1130(f) of the Act).
- **Cost Neutrality:** Pub. L. 112-34 retains provisions requiring that the demonstration project be **cost neutral to the Federal government** over the period of the demonstration; in other words, the amount of Federal funds used to support the demonstration project may not exceed the amount of Federal funds that would have been expended by the title IV-E agency under titles IV-B and IV-E of the Act if the demonstration project had not been conducted (section 1130(h) of the Act).



# Research Design

- While title IV-E agencies may propose to use an experimental research design employing random assignment of participants to treatment and control groups for its evaluation design, Pub. L. 112-34 **prohibits HHS from considering whether a proposed project uses random assignment** when evaluating proposals (section 1130(a)(6) of the Act).
- HHS must now consider the effect of the proposed demonstration project on the applicant's **ability to implement a Child and Family Services Review program improvement plan**, in addition to the applicant's ability to comply with any court order in place that determined that the title IV-E agency's child welfare program failed to comply with titles IV-B or IV-E of the Act or the U.S. Constitution (section 1130(a)(5) of the Act).

# **Child Welfare Demonstration Waivers**

## **State Considerations**

- Consistency with State goals.
- Consensus on child welfare outcomes.
- Funding considerations – federal and state.
- State issues with out-of-home care and adoption assistance.
- Planning and implementation infrastructure.
- Familiarity with details of new law and federal terms and conditions.
- Selection of evaluator and design of evaluation.