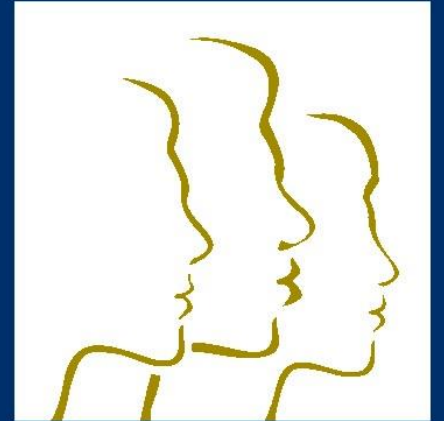


Child Welfare Policy Roundtable Foster Care Rate Reform Proposal

Angie Schwartz, Deputy Director,
Children and Family Services Division, CDSS
Friday, April 5th
10:00-11:30am



CDSS

CALIFORNIA
DEPARTMENT OF
SOCIAL SERVICES

Agenda

Background

The three key innovations of this proposal

How this proposal intends to be responsive to the feedback received

Overview of the proposal

Stakeholder Workgroups

Questions and discussion

Introduction to the Permanent Rates Structure Proposal

- Statute requires the California Department of Social Services (CDSS) to establish an “ongoing payment structure no later than January 1, 2025”.
- The Governor’s January Budget Proposal includes \$12 million General Fund in 2024-25 to make automation changes for a reformed foster care payment structure, with full implementation anticipated as early as 2026-27.

This Proposal Contains Three Key Innovations to California's Foster Care Rate Structure:

1. The rates tiers are based on a child's assessed level of need
2. There are two brand-new buckets of funding within the rate:
 - Strengths building and maintenance
 - Immediate needs
3. The funding shifts away from being inextricably connected to the placement type and instead is connected to the child

How this Proposal Intends to be Responsive to Feedback CDSS has Received

- **Feedback from Tribes:**

- During the ICWA State Plan Regional Convenings, Tribal Advisory Committees, Tribal Consultation, and additional meetings with Tribes, CDSS received feedback that:
 - ❑ Culturally responsive services should be made available for Indian children and families.
 - ❑ Indian children should not have leave their community to receive services.
 - ❑ Tribes should remain involved in a child's case.

- **Stakeholder feedback CDSS received:**

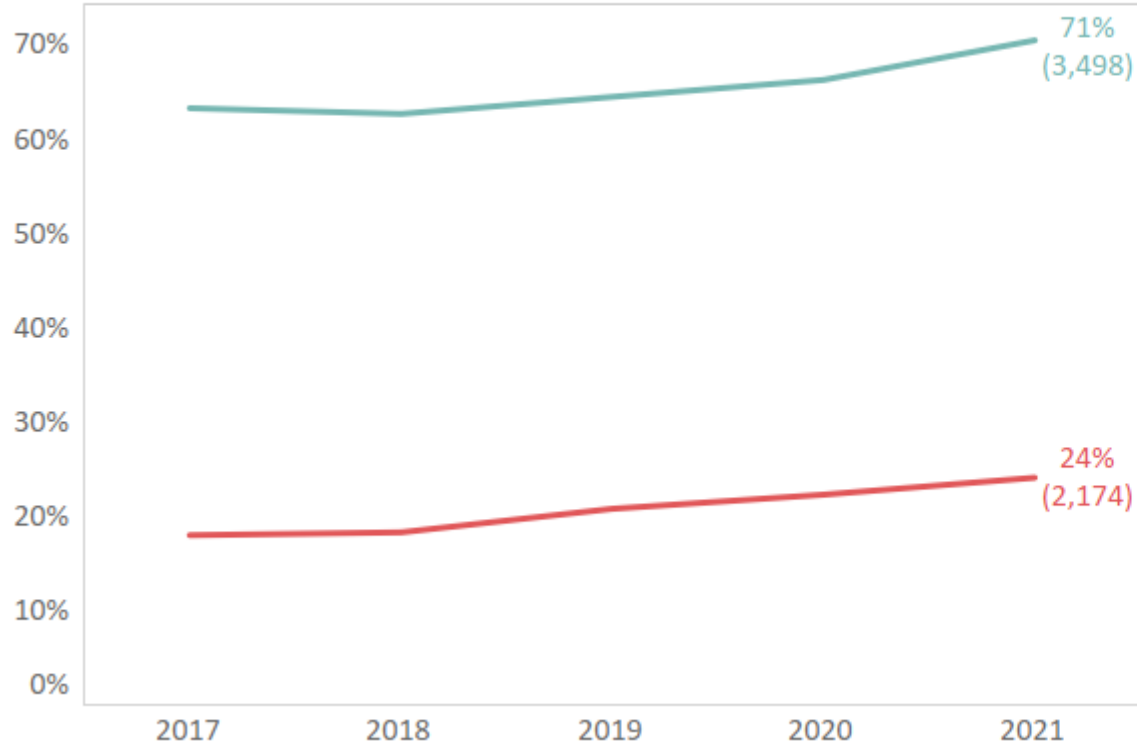
- Rates need to account for services/supports as well as care and supervision.
- Rates should follow the child and not the placement type.
- Assessment should identify the child's level of need, not where the child should be placed.
- The current rates are inadequate across all placement settings.

Keeping Families Together

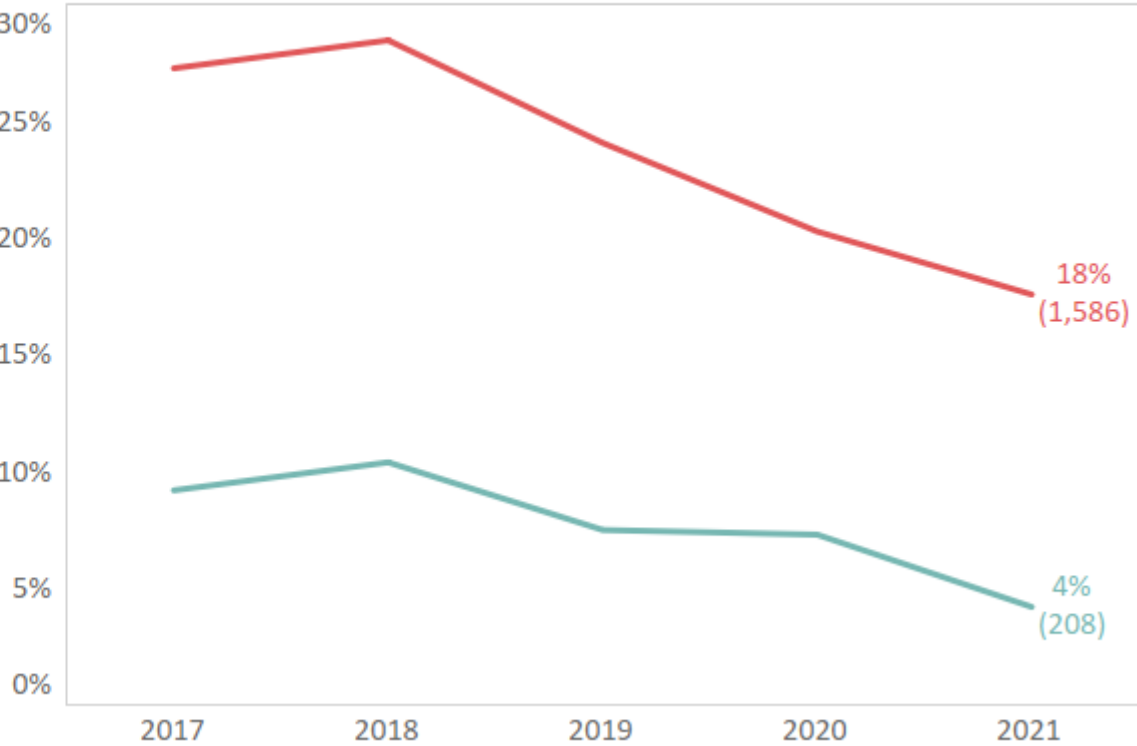
- Compared to children in non-relative foster care, children in kinship care experience fewer health and mental health concerns, better academic outcomes, greater placement stability, and a significantly lower likelihood of re-entering care within 12 months of exit.
- The proposed rate structure invests directly in family-based placements to keep youth connected to their relatives and communities of origin.

California Placement Stability

% of children who remain in their first placement at 12 months in care



% of children who have experienced 4+ placements at 12 months in care



- Non-Relative Placement
- Relative Placement

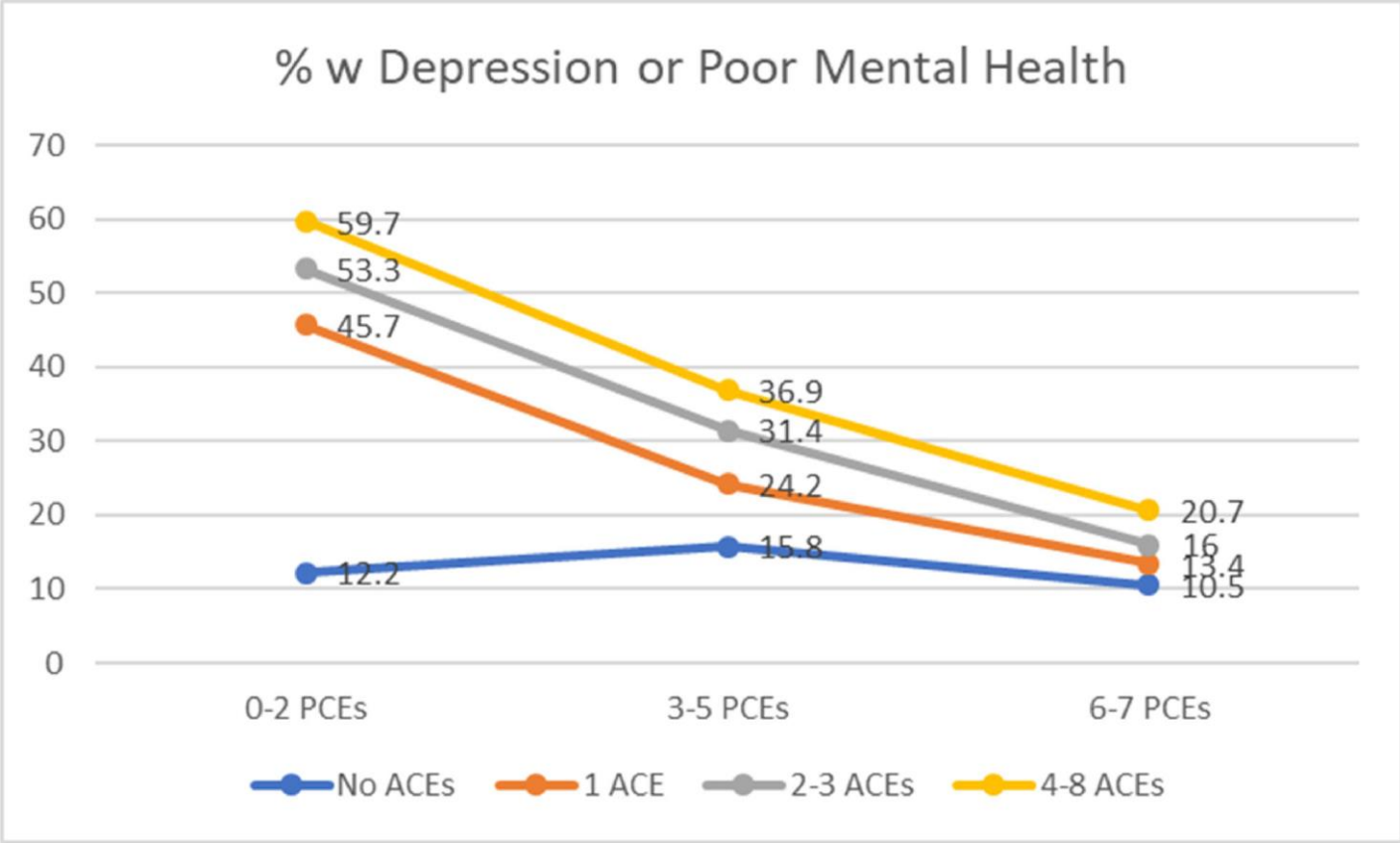
Note: Axis ranges differ between charts.

Data Source: California Child Welfare Indicators Project (CCWIP), University of California at Berkeley
California Department of Social Services, Research and Data Insights Branch

Positive childhood experiences mitigate the impact of ACEs Exposure¹

Study looked at the effects of Positive Childhood Experiences on Adverse Childhood Experiences outcomes.

Those with 4 or more ACEs were most profoundly affected by positive experiences.



ASSESSING AND MEETING THE INDIVIDUAL NEEDS OF EACH YOUTH

- The Child and Adolescent Needs and Strengths Tool (CANS) is a validated functional assessment tool which assesses well-being, identifies a range of social and behavioral healthcare needs, supports care coordination and collaborative decision-making, and monitors outcomes of individuals, providers, and systems.
- The CANS is well established and has been implemented statewide since 2018.
- The data from the CANS can be aggregated and analyzed through an approach known as a Latent Class Analysis (LCA).
- LCA is a measurement model in which individuals can be classified into mutually exclusive and exhaustive classes based on their pattern of answers on a set of variables.
- The proposed rate structure is based on a child's identified needs and strengths as identified by the CANS assessment; the rate is not tied to the placement.
- The proposed rate structure specifically includes funding to support strength building and to address a child or youth's immediate needs, and it utilizes the CANS and LCA to establish tiers.

THE CANS SCORES OF YOUTH BEFORE OR IMMEDIATELY AFTER THEY ENTERED AN STRTP COMPARED TO CANS AFTER 6+ MONTHS IN AN STRTP

- Every additional ACE that a youth experienced elevated odds of STRTP placement by 20%.
- The data indicates that STRTPs support a reduction in the externalizing behaviors that risk a child's health and safety. However, youth are as or more likely to lose strengths while in an STRTP than to build them.
- The data indicates that STRTPs do not lead to a resolution of a youth's ongoing mental health issues (both behavioral and emotional health).
- The CANS scores reflected that a youth's mental health does not improve, and rates of depression actually **increase**.
- Evidence continues to show that youth who experience long stays in congregate care typically experience worse outcomes. For example, research has shown that youth placed into congregate settings are 2.5 times more likely to be arrested, more likely to drop out of school, and less likely to graduate from high school.
- Point in Time data from 2021-2023 shows that, of the youth in foster care placed in an STRTP, over half have length of stays longer than 6 months.

Advancing Equity

- The proportions of Black and Native American youth in foster care are around four times larger than the proportions of Black and Native American youth in California overall.
- Youth in foster care have experienced Adverse Childhood Experiences (ACEs). These traumatic experiences can include abuse and neglect, such as parental substance use, incarceration, and domestic violence.
- Youth who have experienced multiple ACEs often have greater behavioral health needs and can experience greater placement instability.

Advancing Equity

- However, the positive experiences that youth are more likely to experience when cared for by their own family have been proven to help mitigate the mental health damage caused by ACEs and can help youth heal.
- The proposed rate structure advances equity in California's Child Welfare system by strengthening our kin-first approach, keeping families together, and by putting services in place based on the child's CANS assessment and needs, not based on their placement via a County or Foster Family Agency or within a Short Term Residential Therapeutic Program.
- The funding of strengths building is rooted in evidence that supports the need for investment in building strengths and addressing the immediate needs of a child. Participation in enrichment activities can help young people heal, promote supportive social connections, and provide opportunities to develop valuable skills.

Proposed Permanent Rates Structure Framework
Innovation 1 – Tiers are Based on the Child’s Assessed Level of Need

Tier 1 74% of children and youth	
Ages 0-5 Latent Class 1 and 2	Ages 6+ Latent Class 1, 2, and 3
Tier 2 19% of children and youth	
Ages 0-5 Latent Class 3	Ages 6+ Latent Class 4 and 5
Tier 3 4.5% of children	Tier 3+ 2.5% of children
Ages 0-5 Latent Class 4	Ages 6+ Latent Class 6a and 6b

**Proposed Permanent Rates Structure Framework
Innovation 2 – Two New Buckets of Funding
Strengths Building and Immediate Needs**

Tier 1

74% of children and youth

Care and Supervision

Strengths Building and Maintenance

Tier 2

19% of children and youth

Care and Supervision

Strength Building and Maintenance

Immediate Needs

Tier 3 (ages 0-5)

4.5% of children

Care and Supervision

Strength Building and Maintenance

Immediate Needs

Tier 3+ (ages 6 and older)

2.5% of children and youth

Care and Supervision

Strength Building and Maintenance

Immediate Needs

Proposed Permanent Rates Structure Framework
Innovation 3 – The Funding Follows the Child
The Rates Are No Longer Inextricably Connected to the Placement Type

	How the Care and Supervision Dollars will Flow	How the Strengths Building and Maintenance Dollars will Flow	How the Immediate Needs Dollars will Flow	How the Admin Funding will Flow
Tier 1 74% of children and youth	Paid to the Caregiver	Child and family work with a Financial Management Coordinator	County or contracted provider coordinate services	FFA Admin (for youth placed in an FFA) <i>Recruitment, retention, approval, training, etc.</i>
Tier 2 19% of children and youth				
Tier 3 4.5% of children				FFA/STRTP Admin (for youth placed in an FFA or an STRTP) <i>Recruitment, retention, approval, training, etc.</i>
Tier 3+ 2.5% of children				

A Self Determination Model

Background

Self-Determination theory was created by Ryan and Deci (2000)¹. The theory starts with two assumptions:

1. Human beings strive for growth, and
2. Internal sources of motivation are essential

In order to achieve growth, people need to feel competent, autonomous, and connected with others.

Self-Determination Theory

Human beings have three basic needs:

Competence

People need to gain mastery and control of their own lives & their environment.
Essential to wellness

Autonomy

People need to feel in control of their own life, behaviours and goals. This is about choice.

Relatedness

People need to experience a sense of belonging and connection with other people.
Feeling cared for by others & to care for others.

Based on the work of Richard Ryan and Edward Deci.

1. Ryan, R. M., & Deci, E. L. (2000). Self-determination theory and the facilitation of intrinsic motivation, social development, and well-being. *American Psychologist*, 55, 68-78.

The Strengths Building Funding

1. The child or youth is assigned into a respective tier based on their CANS score.

Tier 1

Tier 2

Tier 3

Tier 3+

2. A child or youth's individual budget is set based upon the amount allotted for that tier.

Tier 1 - \$500

Tier 2 - \$700

Tier 3 - \$900

Tier 3+ - \$900

3. The child, caregiver, etc. develop a strengths building spending plan based upon the CANS assessment, the child's interests, etc.



4. The CFT supports the family in selecting goods, services, activities and supports consistent with the strength building objectives identified by the CANS.



5. The child and family work with their Financial Management Coordinator (a CDSS contractor) to pay for and, if needed, otherwise procure the goods, services, activities and supports for the child consistent with the spending plan.



The Goals and Vision of the Immediate Needs Program



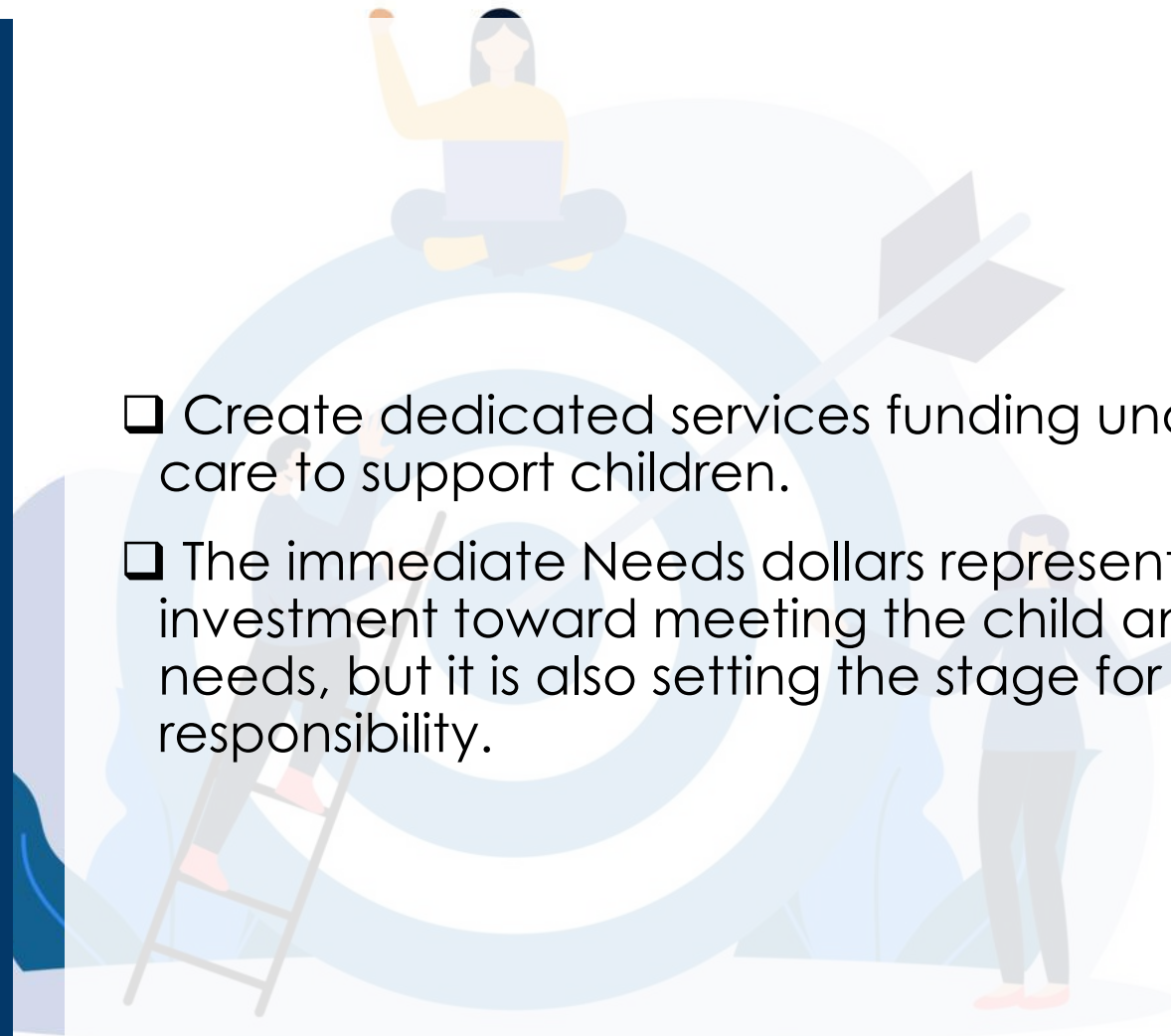
Vision

- ❑ All children and youth with identified needs will have those needs met across all placement types.
- ❑ Providers will be able to serve children with immediate needs in all settings, including relative placements.
- ❑ The Immediate Needs funding is supporting a responsive continuum and ensuring mutual accountability.



Goals

- ❑ Create dedicated services funding under a system of care to support children.
- ❑ The immediate Needs dollars represent Child Welfare's investment toward meeting the child and youth's needs, but it is also setting the stage for mutual responsibility.



The Immediate Needs Funding

Establishing an Immediate Needs Program

1. The CDSS will establish Model Standards for each tier and will provide contracts requirements.



2. County agencies will submit a county plan demonstrating full compliance with the Model Standards for each tier. Counties also have the option to develop a regional plan in partnership with counties in their region. Contracted providers of the county also must provide documentation demonstrating full compliance.



3. The CDSS will review and approve the county plans for each tier.



4. The county will then implement their network utilizing FFAs, STRTPs, MHPs, and/or CBOs for the delivery of services.



The Immediate Needs Funding Implementing the Immediate Needs Program

1. Upon approval, the county placing agency will only use Immediate Needs Providers certified by the department using contracts that are consistent with the model contracts developed by the department.



2. The Immediate Needs Provider will develop child-specific Immediate Needs Plans for each child, demonstrating how the funding will meet the child's immediate needs and include those plans in the child's case plan.



3. If a placing agency chooses to enter into an agreement with CDSS to administer the Program or if a placing agency does not adequately administer the program or meet the immediate needs of children, CDSS can receive future payments of the placing agency's Placing Agency Allocation and use the Placing Agency Allocation to award contracts for the purpose of implementing and maintaining the Immediate Needs Program.



Proposed Permanent Foster Care Rates Structure Framework

Tier 1 (74% of children and youth)

(Latent Classes 1 and 2 for the 0-5-year-olds and Latent Classes 1, 2, and 3 for the 6+ year olds)

Care and Supervision Paid to the caregiver	\$1,788
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Strength Building and Maintenance Child and Family work with a Financial Management Coordinator	\$500
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Immediate Needs	NA
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FFA Admin (for youth placed in an FFA) <i>Recruitment, retention, approval, training, etc.</i>	\$1,610
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Tier 2 (19% of children and youth)

(Latent Class 3 for the 0 – 5-year-olds and Latent Classes 4 and 5 for the 6+ year olds)

Care and Supervision Paid to the caregiver	\$3,490
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Strength Building and Maintenance Child and Family work with a Financial Management Coordinator	\$700
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Immediate Needs County or contracted provider coordinate services	\$1,000
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FFA Admin (for youth placed in an FFA) <i>Recruitment, retention, approval, training, etc.</i>	\$2,634
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Tier 3 (ages 0-5) (4.5% of children and youth)

(Latent Class 4 for 0 – 5-year-olds)

Care and Supervision Paid to the caregiver	\$6,296
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Strength Building and Maintenance Child and Family work with a Financial Management Coordinator	\$900
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Immediate Needs County or contracted provider coordinate services	\$1,500
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FFA Admin (for youth placed in an FFA) <i>Recruitment, retention, approval, training, etc.</i>	\$2,634
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Tier 3+ (ages 6+) (2.5% of children and youth)

(Latent Class 6 and 6a for 6+ year olds)

Care and Supervision Paid to the caregiver	\$6,296
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Strength Building and Maintenance Child and Family work with a Financial Management Coordinator	\$900
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Immediate Needs County or contracted provider coordinate services	\$4,100
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FFA/STRTP Admin (for youth placed in an FFA or an STRTP) <i>Recruitment, retention, approval, training, etc.</i>	\$7,213
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Proposed Permanent Foster Care Rates Structure Multi-Year Cost

Permanent Foster Care Rate Structure

	Existing Foster Care Rate Costs	Proposed Expenditures					
		2023-24	2024-25*	2025-26*	2026-27*	2027-28*	2028-29*
General Fund	\$317	\$12	-	\$425	\$647	\$873	\$896
Federal Fund	\$140	-	-	\$77	\$125	\$175	\$193
County Fund	\$2	-	-	\$4	\$7	\$9	\$10
Total	\$459	\$12	-	\$506	\$779	\$1,057	\$1,099

*Estimate; Excludes state operation costs

Dollars In Millions

Stakeholder Workgroups

- **Stakeholder Workgroup #1 – Strengths Building Program**
 - Kickoff Date: **Tuesday, March 19th** from **9-10am**
 - Recurring Dates and Times: Every other Tuesday from 9-10am through Tuesday, April 30th.
- **Stakeholder Workgroup #2 – Immediate Needs Program**
 - Kickoff Date: **Friday, March 22nd** from **10:00-11:00am**
 - Recurring Dates and Times: Every other Friday from 10-11am through Friday, May 3rd.
- **Stakeholder Workgroup #3 – All Other Components of the Foster Care Rate Reform Proposal**
 - Kickoff Date: **Tuesday, March 26th** from **10-11am**
 - Recurring Dates and Times: Every other Tuesday from 10-11am through Tuesday, May 7th.
- To opt-in to participating in any of the stakeholder workgroups, please email Emily.Smallson@dss.ca.gov.
- When opting in, please include the following information:
 - Name
 - Email Address
 - Workgroup(s) you'd like to participate in



Questions and Discussion

Proposed Permanent Foster Care Rates Structure Website

Thank you!