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## A new federal law changes child welfare system financing as we know it

## TAKEAWAYS

### FFPSA allows federal funding to be spent

on services that help families to stay together and out of the foster care system.

## Under FFPSA, funds may support

families' substance abuse treatment and mental health services.

#### FFPSA limits federal funding for group

homes and other congregate care placements.

#### Model licensing standards for placement

in a relative foster family home will be established by October 1, 2018.

### States are required to develop statewide

plans to prevent child abuse and neglect fatalities.



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### A sea change in child welfare financing occurred with little fanfare in February

2018 when legislation aimed at increasing the flexibility for states to use federal child welfare funds to support child maltreatment prevention was signed into law as part of the Bipartisan Budget Act of 2018.¹ Among other changes, the Family First Prevention Services Act (FFPSA) allows the use of federal funding for services to help families in crisis stay together. In the past, the largest federal funding source for child welfare agencies (Title IV-E of the Social Security Act) could not be used for prevention and intervention programs such as mental health services and substance abuse treatment—two common reasons for a child's removal. In contrast, the new law allows (and promotes) the use of Title IV-E funds for evidence-based programs aimed at keeping families intact. This brief describes the FFPSA, child welfare experts' and state officials' reactions to it, and its implementation timeline.

## Family First Prevention Services Act firsts

The FFPSA reforms federal child welfare IV-E funding streams to allow states to provide families at risk of entering the child welfare system with up to 12 months of mental health services, substance abuse treatment, or in-home parenting training. This is a departure from the longtime practice of limiting IV-E funding to services provided only after a child's removal and covering prevention services through several smaller federal funding sources (e.g., Child Abuse Prevention and Treatment Act and Promoting Safe and Stable Families, PSSF). Further, the law matches state expenditures for evidence-based prevention services with federal funding rather than being limited to a set amount, as with block grants.

## What does the FFPSA stipulate?

- Defines qualified candidates for prevention services as children who are at-risk
  of entering foster care but are deemed safe to remain at home or in kinship care
  if services are provided; children in foster care who are parenting; or, parents or
  caregivers in need of services to prevent entry into out-of-home care.
- Requires that services be trauma informed and evidence based, according
  to standards modeled after those used by the California Evidence-Based
  Clearinghouse for child welfare.<sup>2</sup>
- Eliminates the time limit for family reunification services funded under the PSSF program, which may be too brief to allow parents to meet reunification requirements (for example, treatment for opioid misuse is lengthier than that for other drug and alcohol misuse).
- Limits federal funding for group homes (previously there were no funding limits) and limits the amount of time a child without mental health or behavioral needs can spend in a group home.
- Requires states to implement an electronic interstate case processing system to
  expedite interstate placements of children in foster, guardianship, or adoptive
  homes (the federal government will provide implementation funding).
- Reauthorizes Regional Partnership Grants, which assist abused and neglected
  children and their families who are affected by methamphetamine and other
  substance use disorders through a competitive grant program to help states,
  tribes, and communities to improve practice and policy to facilitate optimal
  family outcomes.<sup>3</sup>
- Directs the Administration for Children and Families, in the U.S. Department
  of Health and Human Services, to establish model licensing standards for
  placement in relative foster family homes by October 1, 2018.
- Requires states to develop a statewide plan to prevent child abuse and neglect fatalities.

### What are child welfare experts saying about the changes?

Patrick McCarthy, President and Chief Executive Officer of the Annie E. Casey Foundation: "The Family First Prevention Services Act is a piece of legislation for which hundreds of organizations focused on the well-being of children, and both Democratic and Republican lawmakers, have expressed support. On behalf

of the Annie E. Casey Foundation, I am pleased to join with many others in applauding Congress for acting in a way that will keep more families together." $^4$ 

Marian Wright Edelman, President of the Children's Defense Fund: "FFPSA is one of the big rainbows in the political clouds for children."<sup>5</sup>

Nick Hart and Tim Shaw, analysts for the Bipartisan Policy Center, in commenting on the budget deal noted that FFPSA activities are, "long-favored by the evidence-building community."

Richard Wexler, Executive Director of the National Coalition for Child Protection Reform (NCCPR), cautions that FFPSA "changes will barely make a dent in a system that lavishes billions of federal dollars on foster care, and far less on efforts to keep children safely in their own homes." Wexler notes that the Congressional Budget Office estimates that the law will add only \$130 million per year in prevention funding, an increase equivalent to less than 3 percent of federal spending on foster care.

Kristina Rosinsky, Research Scientist of Child Trends: The FFPSA "represents a game-changing modification to the child welfare financing landscape that prioritizes keeping children with their families. The rules and restrictions that come with funding streams are important because they dictate what services are available to the millions of children annually referred to child welfare agencies for maltreatment allegations."

Although most child advocates approve of FFPSA overall, many of them are concerned about two big caveats related to prevention funding:

- 1. Some states may not provide prevention services allowed under the FFPSA because they will not have state matching funds and/or state-level funding authority; and
- 2. States may have difficulty finding an evidence-based program to implement. For instance, it is likely that there are no programs to assist kinship caregivers that currently meet the FFPSA evidence standards.

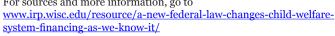
# What are states—charged with complying with FFPSA—saying?

To finance the new prevention services, Congress wants to reduce funding for group homes, which are considered suboptimal for most children (with the exception of those requiring a qualified residential treatment program for mental health, behavioral, or other related needs). This has some state officials concerned whether there will be an adequate supply of foster homes. That's because FFPSA's new requirements will be implemented on the heels of recent increases in foster care caseloads. Indeed, the number of children in foster care increased by 11 percent between 2012 and 2017, and half of states have lost foster placement capacity. A recent Chronicle of Social Change nonprofit news site study found a nationwide shortage of foster families.9 Restricting group home placements increases demand for foster family homes since there will be fewer alternatives for which states may use federal funds. Carl Ayers, family services director for the State of Virginia's Department of Social Services, remarked, "You don't just go out and create a whole new set of foster homes that you haven't had available before."10 Sheila Poole, acting commissioner of New York's Office of Children and Family Services, expressed further concern that the new group home rules will "significantly reduce a state's flexibility to determine the most appropriate placement and the likelihood of receiving sufficient federal funding for youth in care."<sup>11</sup> ■

### FFPSA implementation timeline: Major milestones<sup>12</sup>

2018

#### January States must: Train judges, attorneys, & other CWS legal personnel about federal policy changes & reimbursement for non-foster-family-(retroactive mandates) home placements; Establish protocols to ensure appropriate diagnoses for children in care: & Collect and report data on children placed in non-foster-family home February Congress reauthorized the Adoption & Legal Guardianship Incentive (effective Payment Program through FY2021. upon enactment) No later HHS establishes a clearinghouse & provides technical assistance, than disseminating best practices, collecting data, & evaluating outcomes. October 1 HHS releases guidance on the practice criteria required for the prevention services or programs. HHS identifies reputable model licensing standards for foster family Eight million dollars in competitive grants made available to states **Beginning** and tribes to support the recruitment and retention of high-quality October 1 foster families to help place more children in foster family homes. States eligible for reimbursement for up to 12 months for a child who has been placed with a parent in a licensed residential family-based treatment facility for substance abuse, regardless of whether child meets AFDC income-eligibility requirement for Federal Payments for Foster Care, Prevention, and Permanency. States begin receiving reimbursement for half of their expenditures on kinship navigator programs that meet evidence-based requirements. The 12 month time limit for providing reunification services under PSSF eliminated. Standards and grant amounts for competitive Regional Partnership Grants to increase well-being of and permanency outcomes for children affected by substance abuse amended, including updates that specifically address the opioid and heroin epidemic. States required to document efforts to track and prevent child maltreatment fatalities. States required to have procedures for criminal record checks and checks of child abuse and neglect registries to be carried out on any adult working in a group care setting. 2019 Beginning For any child placed in group or congregate care instead of family October 1 foster care, FFPSA limits federal room and board payments to 14 days unless the placement meets clinical or other treatment or service needs.1 States reimbursed with federal funds for 50% of expenditures on evidence-based services to keep children safely at home with their No later than States submit to HHS a plan that explains how their licensing April 1, 2019 standards are in accordance with HHS model standards. 2021 Beginning HHS establishes indicators to measure the impact of and October 1 expenditures for prevention services. 2027 No later than States begin using an electronic interstate case-processing system October 1 to help expedite interstate placement of children in foster care, adoption, or guardianship. For sources and more information, go to







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**ENDNOTES** 

- <sup>1</sup>Fast Focus has a new look. Thanks to Riley Tsang and Dawn Duren for their work on the redesign.
- <sup>2</sup>Visit the California Evidence-Based Clearinghouse for Child Welfare at <a href="http://www.cebc4cw.org/">http://www.cebc4cw.org/</a>.
- <sup>3</sup>To learn more about Regional Partnership Grants, see the National Center on Substance Abuse and Child Welfare at <a href="https://ncsacw.samhsa.gov/technical/rpg-i.aspx">https://ncsacw.samhsa.gov/technical/rpg-i.aspx</a>.
- <sup>4</sup>P. McCarthy, "Family First Prevention Services Act Will Change the Lives of Children in Foster Care," blog, February 12, 2018. Available at <a href="http://www.aecf.org/blog/family-first-prevention-services-act-will-change-the-lives-of-children-in-f/">http://www.aecf.org/blog/family-first-prevention-services-act-will-change-the-lives-of-children-in-f/</a>.
- <sup>5</sup>M. W. Edelman, "Big Rainbows in the Political Clouds for Children: Some Really Really Good News," Child Watch Column, Children's Defense Fund, February 9, 2018. Available at <a href="http://www.childrensdefense.org/newsroom/child-watch-columns/child-watch-documents/big-rainbows.html">http://www.childrensdefense.org/newsroom/child-watch-columns/child-watch-documents/big-rainbows.html</a>
- <sup>6</sup>N. Hart and T. Shaw, What the Budget Deal Means for Evidence-Based Activities, Bipartisan Policy Center, February 8, 2018. Available at <a href="https://bipartisanpolicy.org/blog/what-the-budget-deal-means-for-evidence-based-activities/">https://bipartisanpolicy.org/blog/what-the-budget-deal-means-for-evidence-based-activities/</a>.
- <sup>7</sup>R. Wexler, "A Plan for Real Reform of Child Welfare Finance—From an Unlikely Source," opinion, Youth Today, February 20, 2018. Available at <a href="https://youthtoday.org/2018/02/plan-real-reform-child-welfare-finance-unlikely-source/">https://youthtoday.org/2018/02/plan-real-reform-child-welfare-finance-unlikely-source/</a>.
- <sup>8</sup>K. Rosinsky, "Family First Act Changes Child Welfare Financing Landscape," Child Trends blog, March 6, 2018. Available at <a href="https://www.childtrends.org/family-first-act-changes-child-welfare-financing-landscape">https://www.childtrends.org/family-first-act-changes-child-welfare-financing-landscape</a>.
- <sup>9</sup>The Chronicle of Social Change, "The Foster Care Housing Crisis," (n.d.). Available at <a href="https://chronicleofsocialchange.org/wp-content/uploads/2017/10/The-Foster-Care-Housing-Crisis-10-31.pdf">https://chronicleofsocialchange.org/wp-content/uploads/2017/10/The-Foster-Care-Housing-Crisis-10-31.pdf</a>.
- <sup>10</sup>J. B. Wogan, "The Revolutionary Foster Care Law Buried in February's Federal Spending Deal," Governing the States and Localities, May 15, 2018. Available at <a href="http://www.governing.com/topics/health-human-services/gov-family-first-foster-care-child-welfare-congress.html">http://www.governing.com/topics/health-human-services/gov-family-first-foster-care-child-welfare-congress.html</a>.
- <sup>11</sup>Quoted in "The Revolutionary Foster Care Law."
- <sup>12</sup>For explication of effective dates, see U.S. Department of Health and Human Services, Administration for Children and Families, *Information Memorandum* on "New Legislation Public Law 115-123, the Family First Prevention Services Act," April 12, 2018. Available at <a href="https://www.acf.hhs.gov/sites/default/files/cb/im1802.pdf">https://www.acf.hhs.gov/sites/default/files/cb/im1802.pdf</a>.
- within Division E, Title VII of the Bipartisan Budget Act of 2018.
- <sup>13</sup>E. Stoltzfus, Family First Prevention Services Act, CRS Insight, February 9, 2018. Available at <a href="https://fas.org/sgp/crs/misc/IN10858.pdf">https://fas.org/sgp/crs/misc/IN10858.pdf</a>. See also, U.S. Department of Health and Human Services, Administration for Children and Families, Children's Bureau, *A National Look at the Use of Congregate Care in Child Welfare*," May 13, 2015, which notes: "Of the approximately 51,000 children age 13 and older who entered foster care in 2008, about half (25,535) entered congregate care at some point. These older youth comprise 69 percent of the children in congregate care. Among those, more than 4 in 10 entered due to a child behavior problem and no other clinical or mental disability" (p. iii). Available at <a href="https://www.acf.hhs.gov/sites/default/files/cb/cbcongregatecare-brief.pdf">https://www.acf.hhs.gov/sites/default/files/cb/cbcongregatecare-brief.pdf</a>.