

Child Welfare Funding

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Presentation to the
Governor's Task Force on the Protection of Children
1-14-15

Basic Question

How much money is available to pay for child protection/child welfare and has that changed over time?

Clarifying questions:

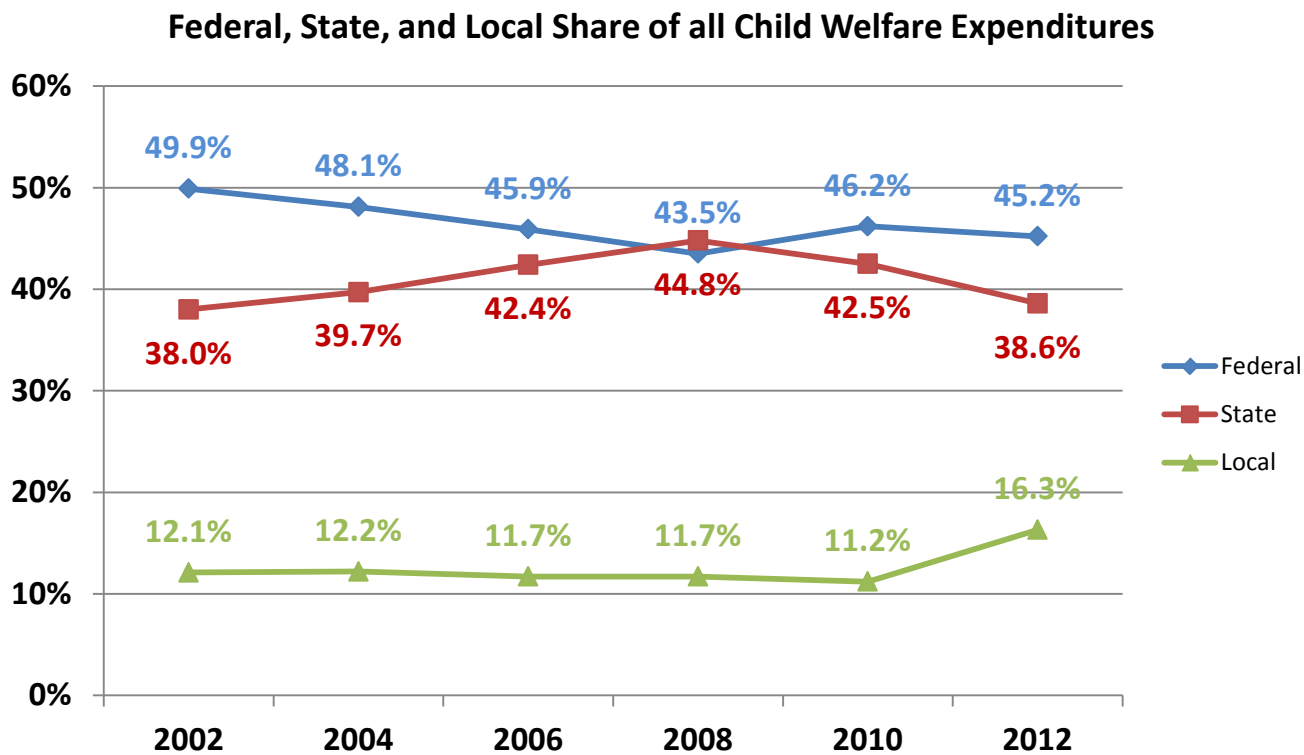
- Child Protection/Child Welfare/Children's Services - defined how? Including child welfare interventions, out-of-home placements, case management, adoption assistance, relative custody assistance, other services?
- Specific to the child only or also to the adult(s) in that child's life?
- All sources of funds (federal, state, local, and/or other) or just some?
- Targeted funds or including block grant funds available for these purposes?
- Available to who?
- By calendar year or state fiscal year or federal fiscal year over what time period?

National Picture

- Total U.S. child welfare spending decreased for the first time since survey began in 1996
- All federal funding sources declined since 2010, and total federal spending was at its lowest level since 1998
- Most states experienced decreases, but wide variation in expenditure changes exist between 2010 and 2012
- Federal share of total child welfare expenditures decreased since 2010, while combined state/local share increased.
- States showed tremendous variation in reliance on particular funding streams.

Source: Federal, State, and Local Spending to Address Child Abuse and Neglect in SFY 2012. Child Trends' survey of all states, issued September 2014

Who Pays

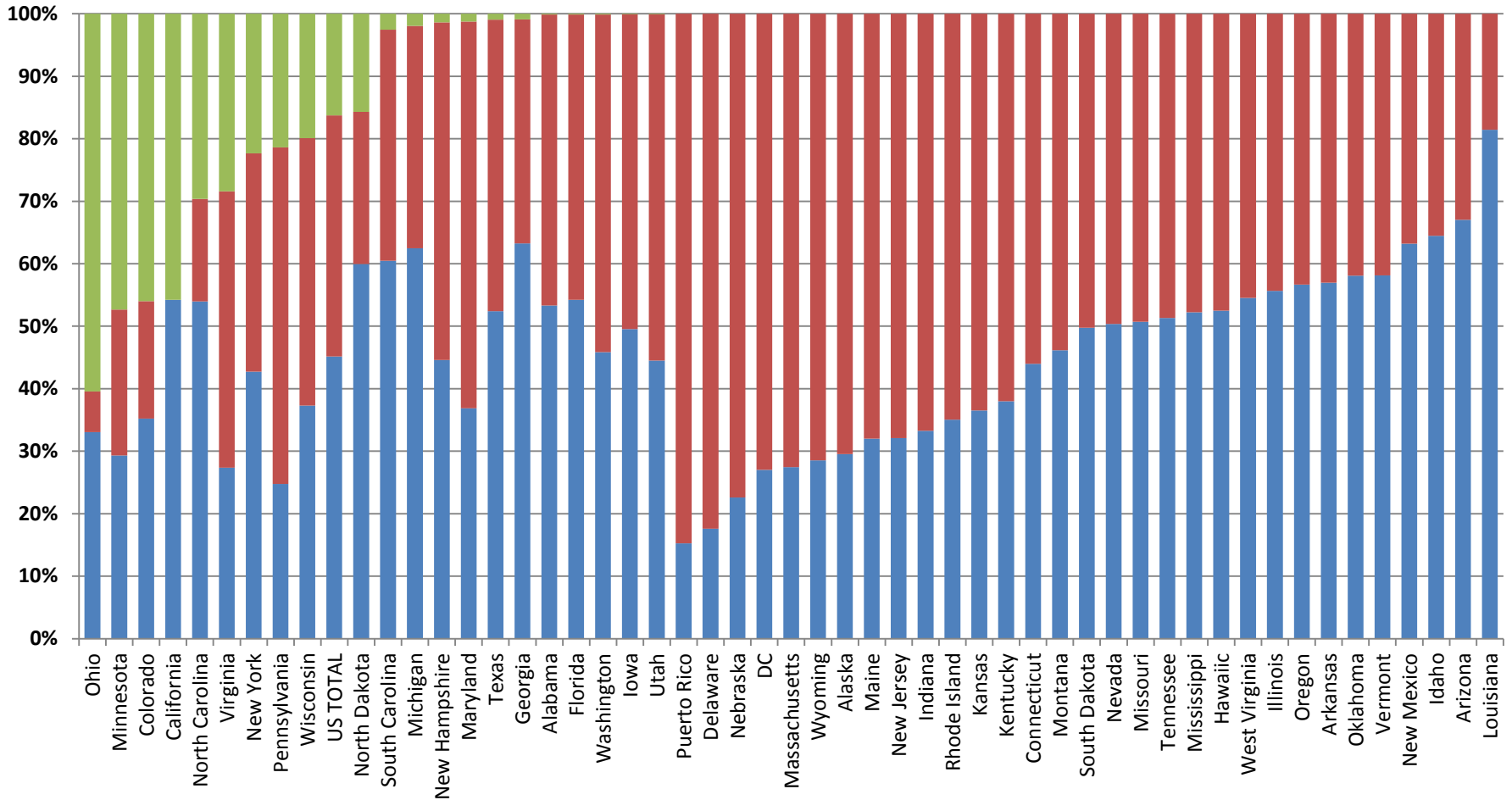


Source: Federal, State, and Local Spending to Address Child Abuse and Neglect in SFY 2012 Child Trends' survey of all states, issued September 2014

Shares in 2012

Minnesota

Federal Share State Share Local Share



Source: Federal, State, and Local Spending to Address Child Abuse and Neglect in SFY 2012 Child Trends' survey of all states, issued September 2014

Minnesota Picture

Expenditure Reporting Methods

Budgeting, Reporting and Accounting for Social Services (BRASS)

- Manual of Services and Definitions for the Minnesota Standard Social Service Classification Structure
- Social Services Information System (SSIS) uses BRASS codes as basis for tracking county social service activity.

Social Services Expenditure and Grant Reconciliation Report (SEAGR)

- Details expenditures and units of service by individual BRASS service codes for each program.

BRASS Codes for Children's Services

Assessment and Prevention Service Category

Information and Referral
Community Education and Prevention
Child Protection Investigation
Assessment for Long-Term Services/Supports
Parent Support Outreach Assessment
Child Welfare Assessment
Family Assessment Response
Concurrent Planning Assessment

Remedial Outpatient Service Category

Individual Counseling
Group Counseling
Approved Pilot Projects
Family-Based Crisis Services
Family-Based Counseling Services
Family-Based Life Management Skills Services
Family Assessment Response Services
Services for Concurrent Permanency Planning
Family Group Decision Making
Parent Support Outreach Services

Facilitative Service Category

Mental Health Screening
Interpreter Services
Transportation
Health-Related Services
Court-Related Services/Activities

Supportive Service Category

Legal Services
Home-Based Support Services
Homemaking Services
Family Support Grant Program
Consumer Support Grant
Educational Assistance
Environmental Accessibility Adaptations
Housing Services
Social and Recreational
Adolescent Life Skills Training
Independent Living Skills

BRASS Codes (cont.)

Remedial Residential Service Category

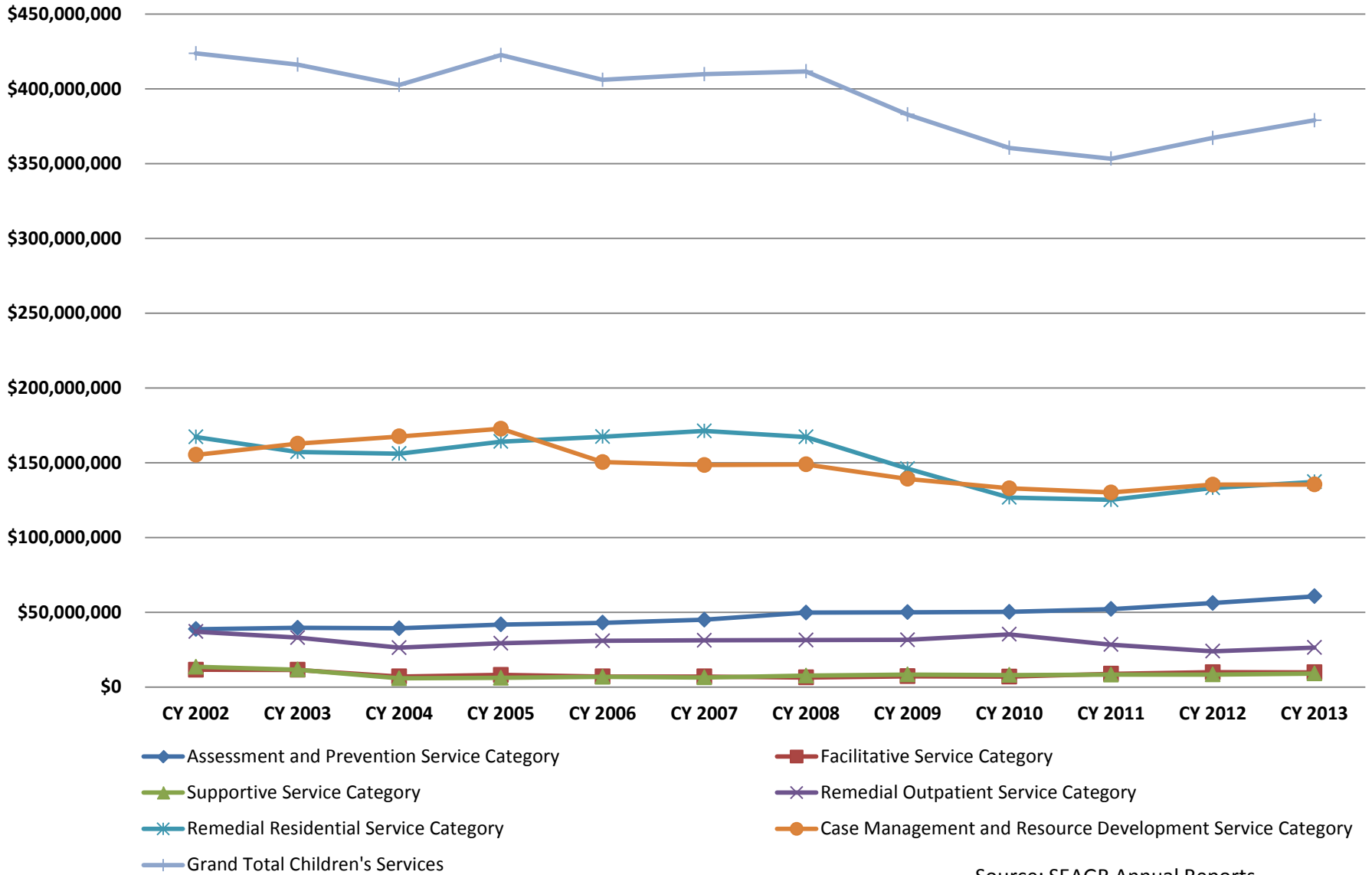
Child Shelter
Northstar Kinship Assistance
Northstar Adoption Assistance
Treatment Foster Care
Child Family Foster Care
Relative Custody Assistance
Children's Group Residential Care
Correctional Facilities
Detention
Supervised Independent Living (18 -21)
Respite Care

Case Management /

Resource Development Service Category

CAC/CADI/BI Case Management
Family Assessment Case Management
General Case Management
Relocation Service Coord - Targeted Case Mngt
Adoptions
Local Collaborative Undifferentiated Services
Licensing and Resource Development

Children's Services Expenditures by Category CY2002-CY2013 (All sources of Funds)

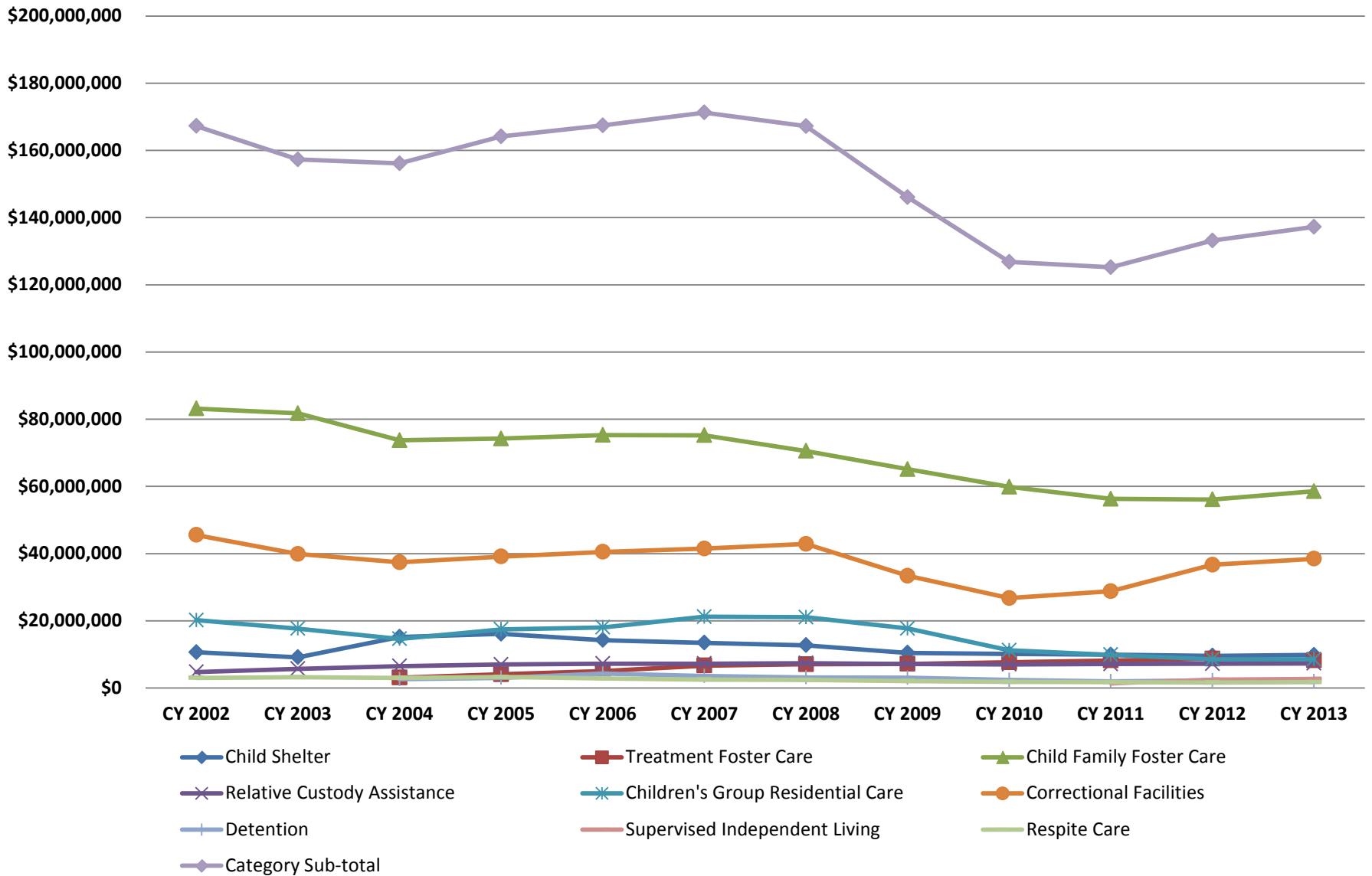


Source: SEAGR Annual Reports

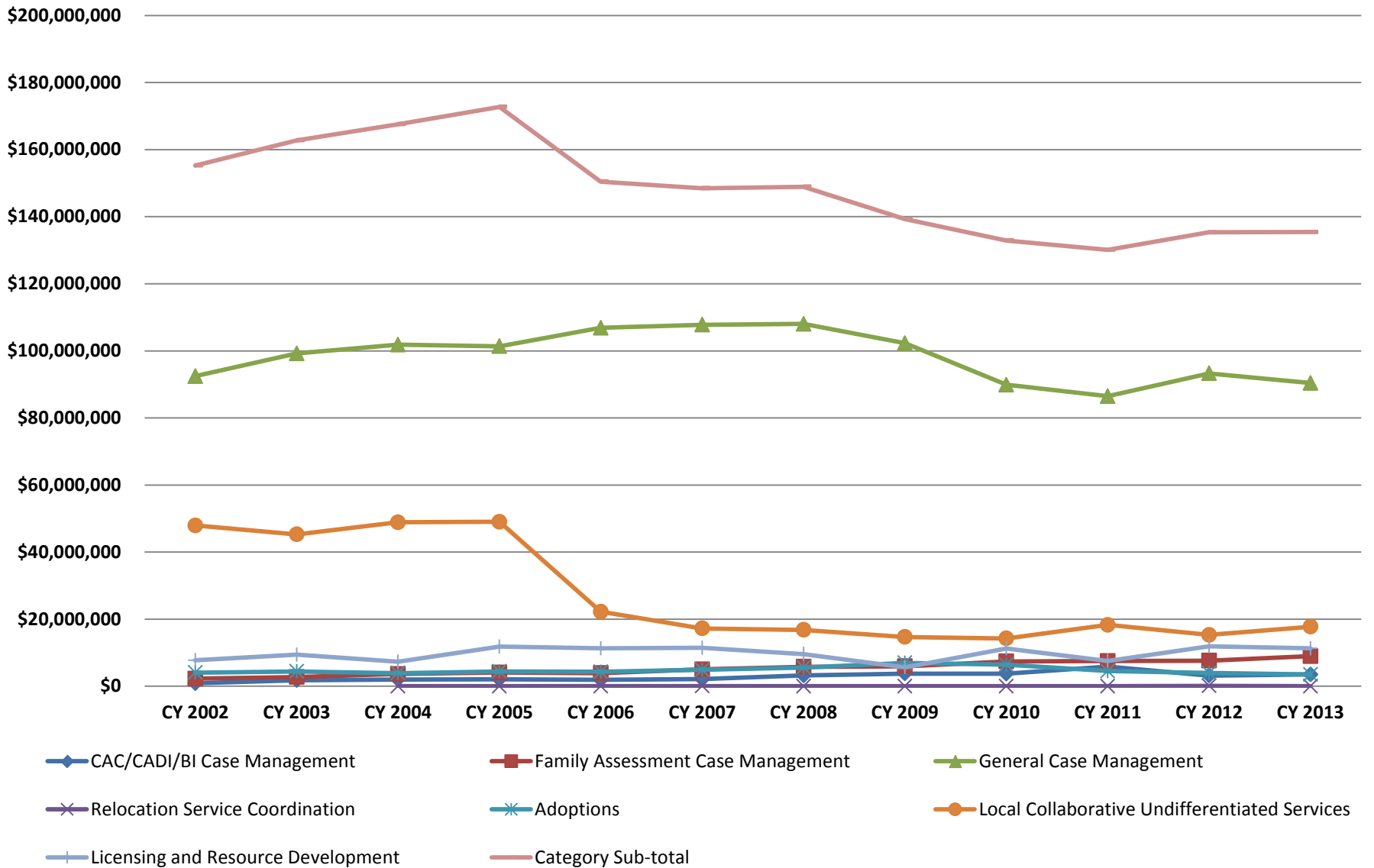
Children's Service Expenditures by Counties (2002 – 2013)

Category	CY 2002 Expend.	%		CY 2013 Expend.	%		Difference over Time
Residential	\$167,262,963	39%		\$137,237,284	35%		(\$30,025,679)
Case Mngt/Resource Devel	\$155,283,610	36%		\$135,436,209	35%		(\$19,847,401)
Assessment /Prevention	\$38,729,225	9%		\$60,730,463	16%		\$22,001,238
Outpatient	\$37,165,717	9%		\$26,500,324	7%		(\$10,665,393)
Supportive	\$19,195,334	4%		\$17,086,534	4%		(\$2,108,800)
Facilitative	\$11,666,135	3%		\$10,478,550	3%		(\$1,187,585)
Total	\$429,302,984	100%		\$387,469,364	100%		(\$41,833,620)

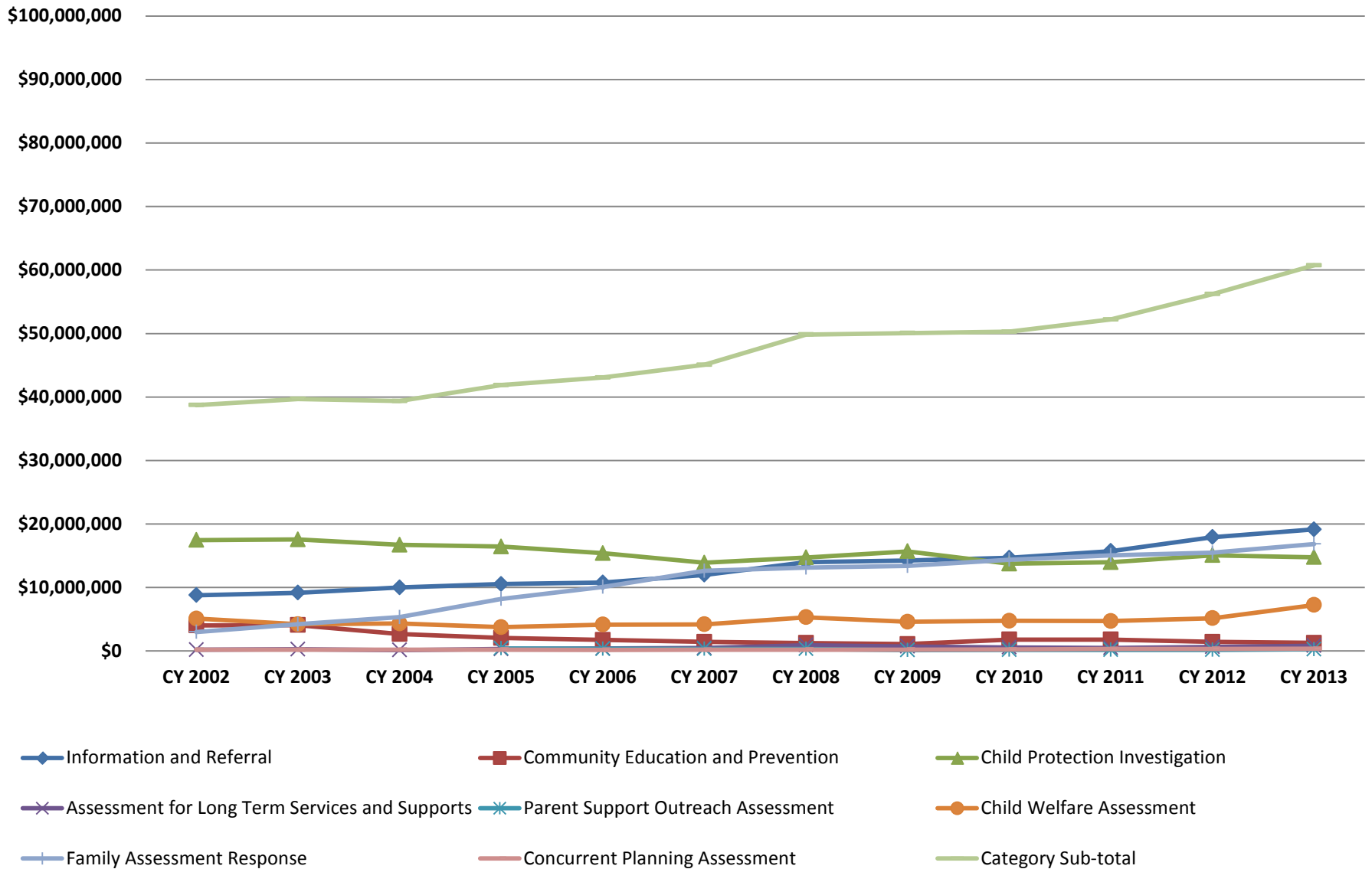
Remedial Residential Expenditures CY2002-CY2013



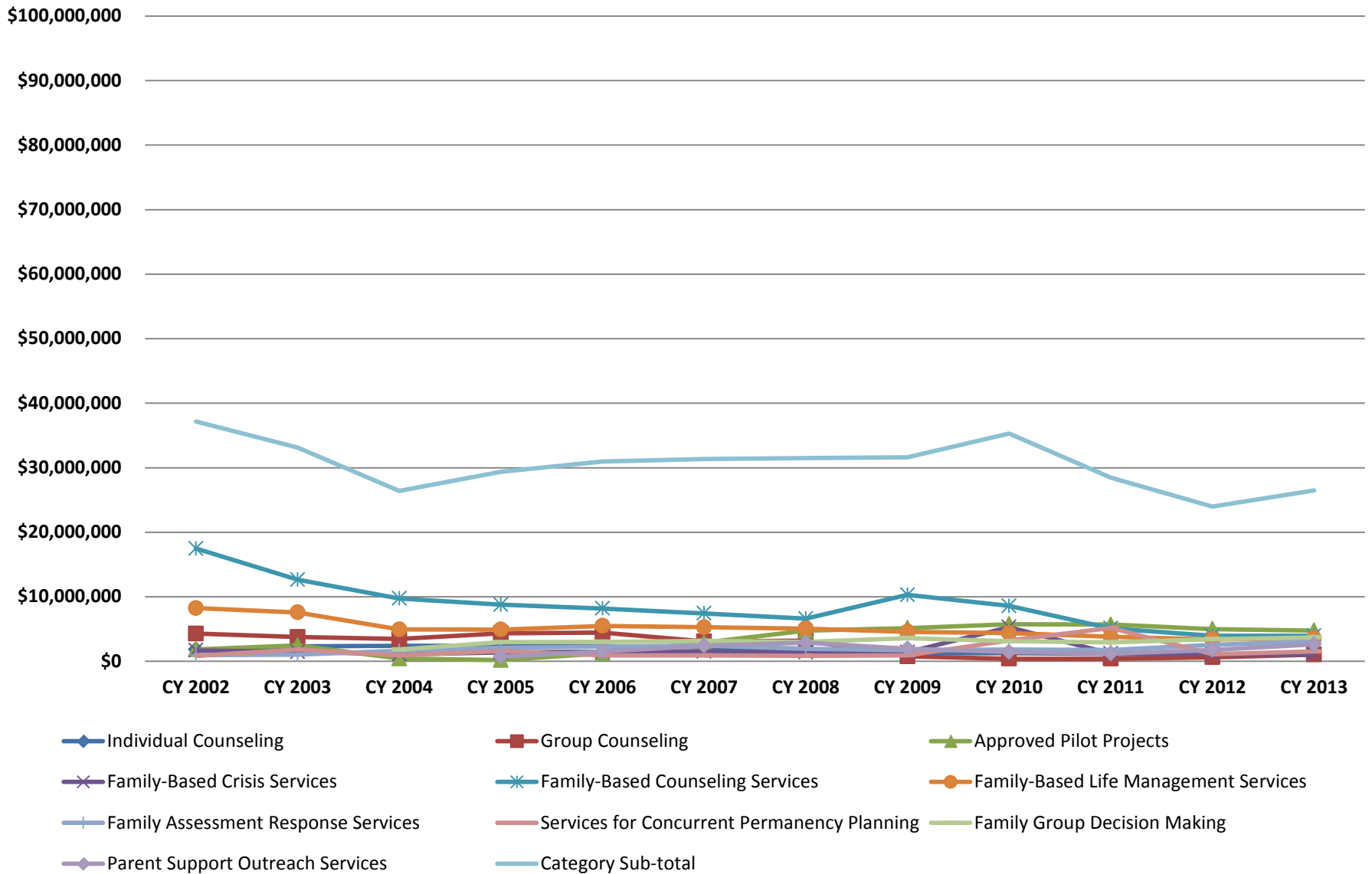
Case Management and Resource Development Expenditures CY2002-CY2013



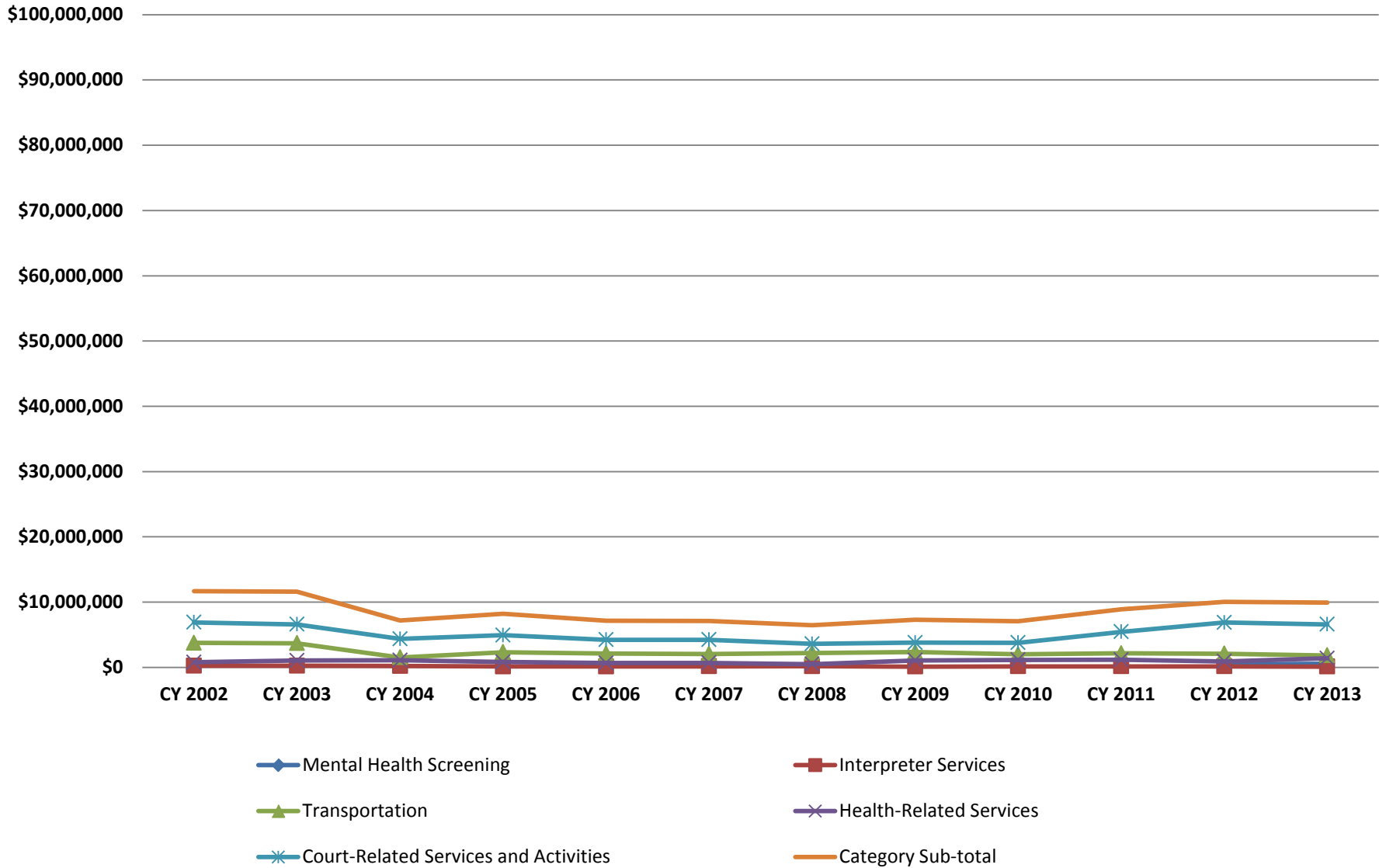
Assessment and Prevention Expenditures CY2002-CY2013



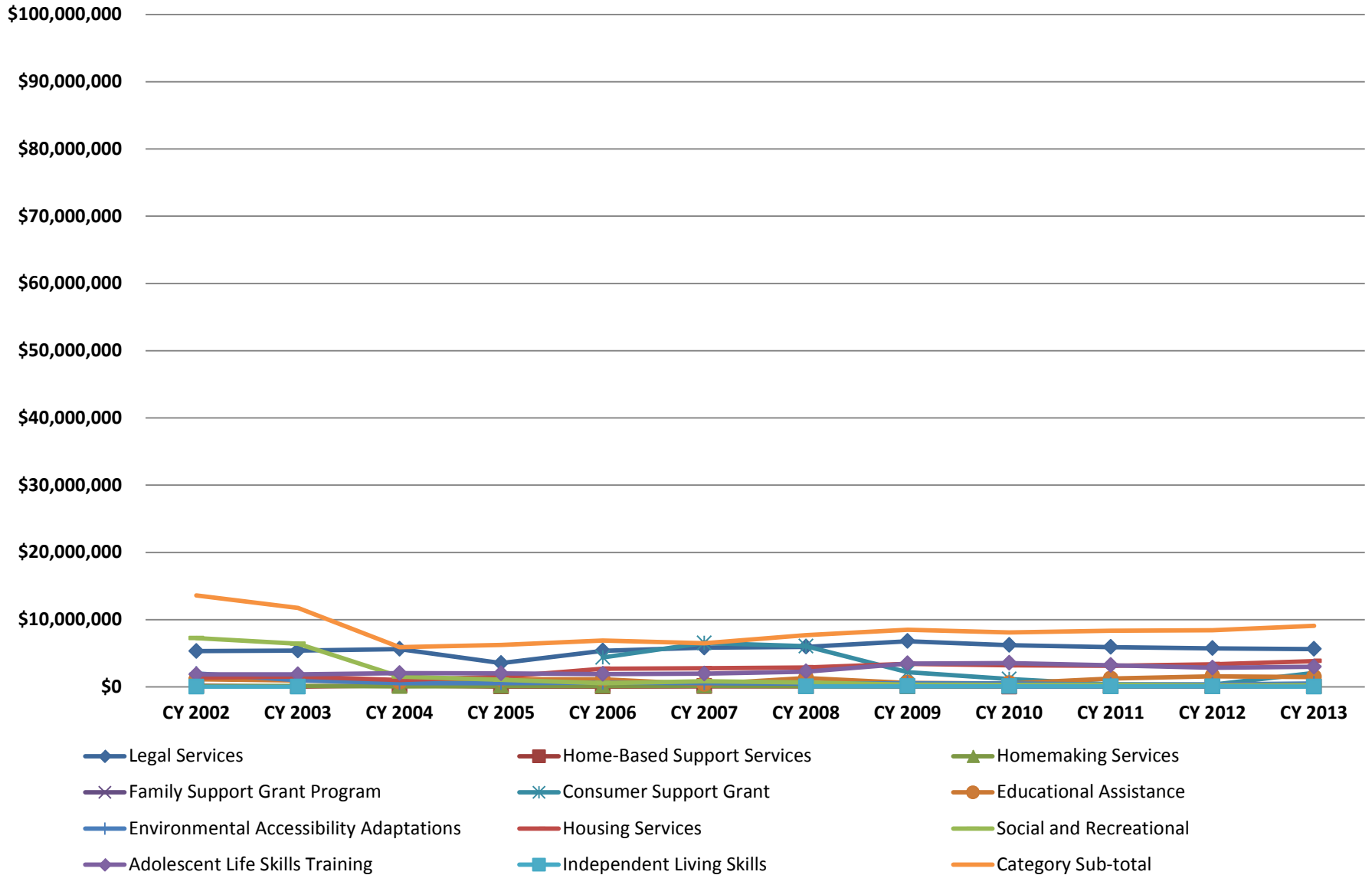
Remedial Outpatient Service Expenditures CY2002-CY2013



Facilitative Service Expenditures CY2002-CY2013



Supportive Service Expenditures CY2002-CY2013



County Variation

Sample CY 2013 profiles (Tier 1: large population. Tier 6: small population.)

Children's Service Category	Tier 1 County	Tier 2 County	Tier 3 County	Tier 4 County	Tier 5 County	Tier 6 County
Residential	29%	36%	26%	18%	21%	40%
Case Mngt/Resource Devel	33%	40%	48%	50%	42%	24%
Assessment /Prevention	15%	13%	18%	17%	17%	23%
Outpatient	7%	9%	4%	9%	18%	12%
Supportive	12%	0%	0%	2%	1%	0%
Facilitative	4%	1%	3%	3%	2%	1%

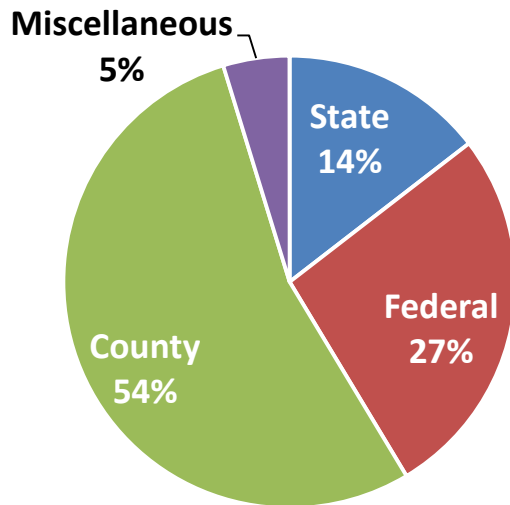
Fifty three counties reduced expenditures from 2002 to 2013, while 31 increased expenditures for children's services.

Revenue

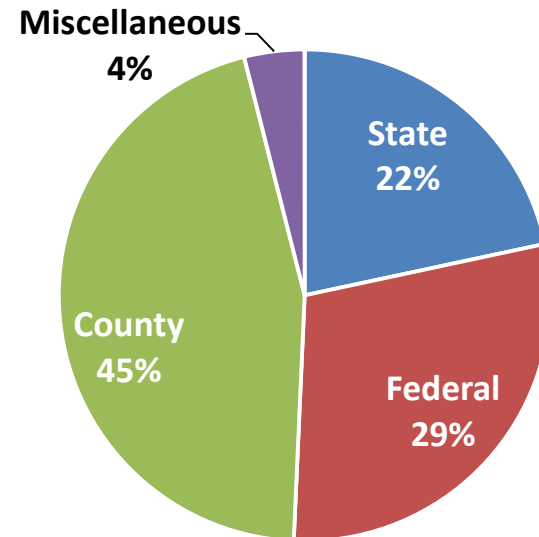
- Counties use local dollars, dedicated state dollars where available, and portion of state and federal block grants (Vulnerable Children and Adult Act/Title XX Social Services Block Grant) for administration and services across the child welfare continuum as needed.
- Primary state resources cover state payments for adoption assistance, payments to counties to cover costs of relative custody assistance, and formula-driven allocations to counties under VCA.
- Federal funds primarily cover federal share of Title IV-E adoption assistance maintenance costs, Title IV-E foster care maintenance costs, and Title IV-E eligible county administrative activities. Federal formula-driven allocations for Title XX block grant are a component of the allocations to counties under VCA.
- County funding covers about half of all child welfare expenditures.

Children's Services Shares 2013

**Children's Services
Through Counties
\$387M**



**Children's Services
with DHS Centralized Payments
\$463M**



Source of Revenue	Revenue for Children's Services Available Through Counties		Revenue for Children's Services, including DHS Centralized Payments	
	Amount	Percent	Amount	Percent
County	\$208,823,068	54%	\$209,952,554	45%
Federal	\$103,939,036	27%	\$134,695,945	29%
State	\$56,350,689	15%	\$100,205,741	22%
Miscellaneous	<u>\$18,356,571</u>	5%	<u>\$18,356,571</u>	4%
Total	\$387,469,364	100%	\$463,210,811	100%

Children's Services Revenue Sources (2013 SEAGR Data)

Block Grants

- 1979 - Minnesota's Community Social Services Act changed method of funding social services from categorical grants and aids to a county allocation block grant based on statutory formula, started at \$39M, went to \$57M in 1985.
- 1982 - Federal Social Services Block Grant began. Rose to about \$49M in mid 1990's but reduced to about \$30M now.

Children and Community Services Act (CCSA)

[Minnesota Session Laws 2003, 1st Special Session, Chapter 14]

State Grants	Dollars in Thousands			
	SFY 2004	SFY 2005	SFY 2006	SFY 2007
Community Social Services Grants	(54,921)	(54,921)	(54,921)	(54,921)
Family Preservation	(14,193)	(14,193)	(14,193)	(14,193)
Rule 78 Children's Mental Health Grant	(10,148)	(10,148)	(10,148)	(10,148)
Mental Health Adolescent Services	(6,696)	(6,696)	(6,696)	(6,696)
CMH Collaborative Wraparound Grant	(1,800)	(1,800)	(1,800)	(1,800)
Juvenile MH Screening	(1,169)	(1,169)	(1,169)	(1,169)
CMH Homeless Children Grants	(848)	(848)	(848)	(848)
Crisis Nursery Grants	(800)	(800)	(800)	(800)
Homeless Children Grants	(708)	(708)	(708)	(708)
Children with Substance Abusing Mothers	(600)	(600)	(600)	(600)
Children whose Mothers were Incarcerated	(350)	(350)	(350)	(350)
Training of Criminal Justice	(151)	(151)	(151)	(151)
Social Services Suppl Grants	(151)	(151)	(151)	(151)
Henn Social Serv Grants for GRH Recip	(132)	(132)	(132)	(132)
Minority Placement Grants	(100)	(100)	(100)	(100)
Fetal Alcohol Interv/Educ/Advocacy Demos	0	(100)	0	0
Children and Community Services Grant	90,158	90,158	67,992	67,992
Less One-time Reductions	(12,500)	(22,166)	0	0
Projects of Regional Significance			25,000	25,000
Total State Funds for Children and Community Services Grant	77,658	67,992	92,992	92,992

CCSA (Cont.)

	<u>Dollars in Thousands</u>			
	<u>SFY 2004</u>	<u>SFY 2005</u>	<u>SFY 2006</u>	<u>SFY 2007</u>
Federal Grants				
Federal Title XX Children and Community Services	32,428	32,428	32,428	32,428
Total Children and Community Services Grant (State and Fed)	110,086	100,420	125,420	125,420
Value of funds that went into CCSA (State and Fed)	125,195	125,195	125,195	125,195
Value of CCSA Block Grant (State and Fed) after later loss of funding for Projects of Regional Significance			100,300	100,300

Block Grant Transitions

Calendar Year	Total State and Fed (\$000s)	1979 Community Social Services Act (formerly MS 256E)		2004 Children and Community Services Act (formerly MS 256M)		2012 Vulnerable Children and Adult Act (currently MS 256M)	
		State CSSA (\$50M) and other funds	Federal SSBG	State CCSA	Federal SSBG	State VCA	Federal SSBG
2003	\$126.01	\$93.65	\$32.36				
2004	\$100.31			\$64.86	\$35.45		
2005	\$100.30			\$67.99	\$32.31		
2006	\$100.33			\$68.00	\$32.33		
2007	\$100.49			\$68.21	\$32.28		
2008	\$99.41			\$67.38	\$32.03		
2009	\$82.32			\$50.28	\$32.04		
2010	\$80.84			\$48.81	\$32.03		
2011	\$84.74			\$52.81	\$31.93		
2012	\$84.72					\$52.81	\$31.91
2013	\$84.73					\$52.81	\$31.92
2014	\$86.14					\$55.81	\$30.33

Vulnerable Children and Adult Act

"Vulnerable children and adults services" means services provided or arranged for by county boards for vulnerable children under chapter 260C, and sections 626.556 and 626.5561, and adults under section 626.557 who experience dependency, abuse, or neglect, as well as services for family members to support those individuals.

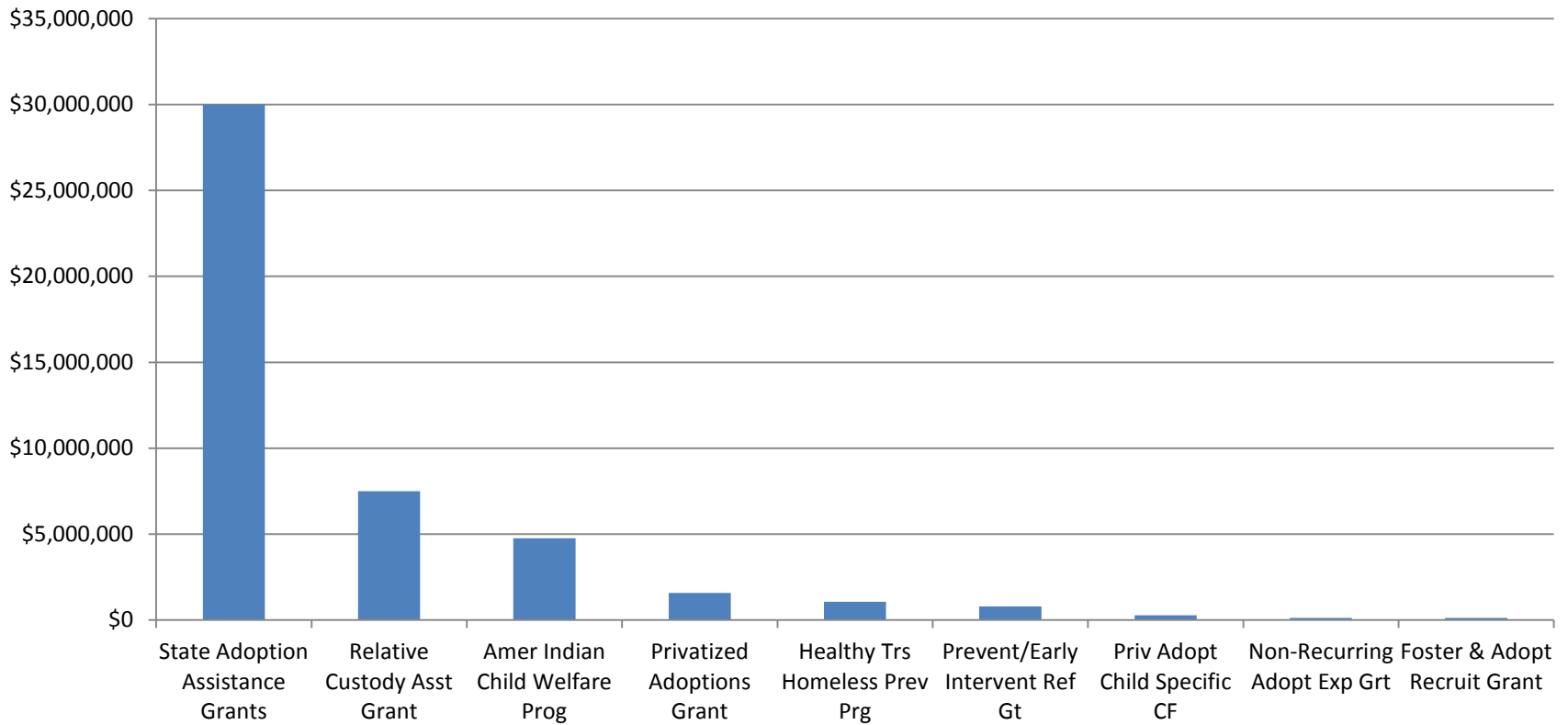
256M.70 FISCAL LIMITATIONS.

If a county has made reasonable efforts to provide services according to the service plan under section 256M.30, but funds appropriated for purposes of sections 256M.01 to 256M.80 are insufficient, then the county may limit services that do not meet the following criteria while giving the highest funding priority to clauses (1) and (2):

- (1) services needed to protect individuals from maltreatment, abuse, and neglect;
- (2) emergency and crisis services needed to protect clients from physical, emotional, or psychological harm;
- (3) services that maintain a person in the person's home or least restrictive setting;
- (4) assessment of persons applying for services and referral to appropriate services when necessary; and
- (5) public guardianship services.

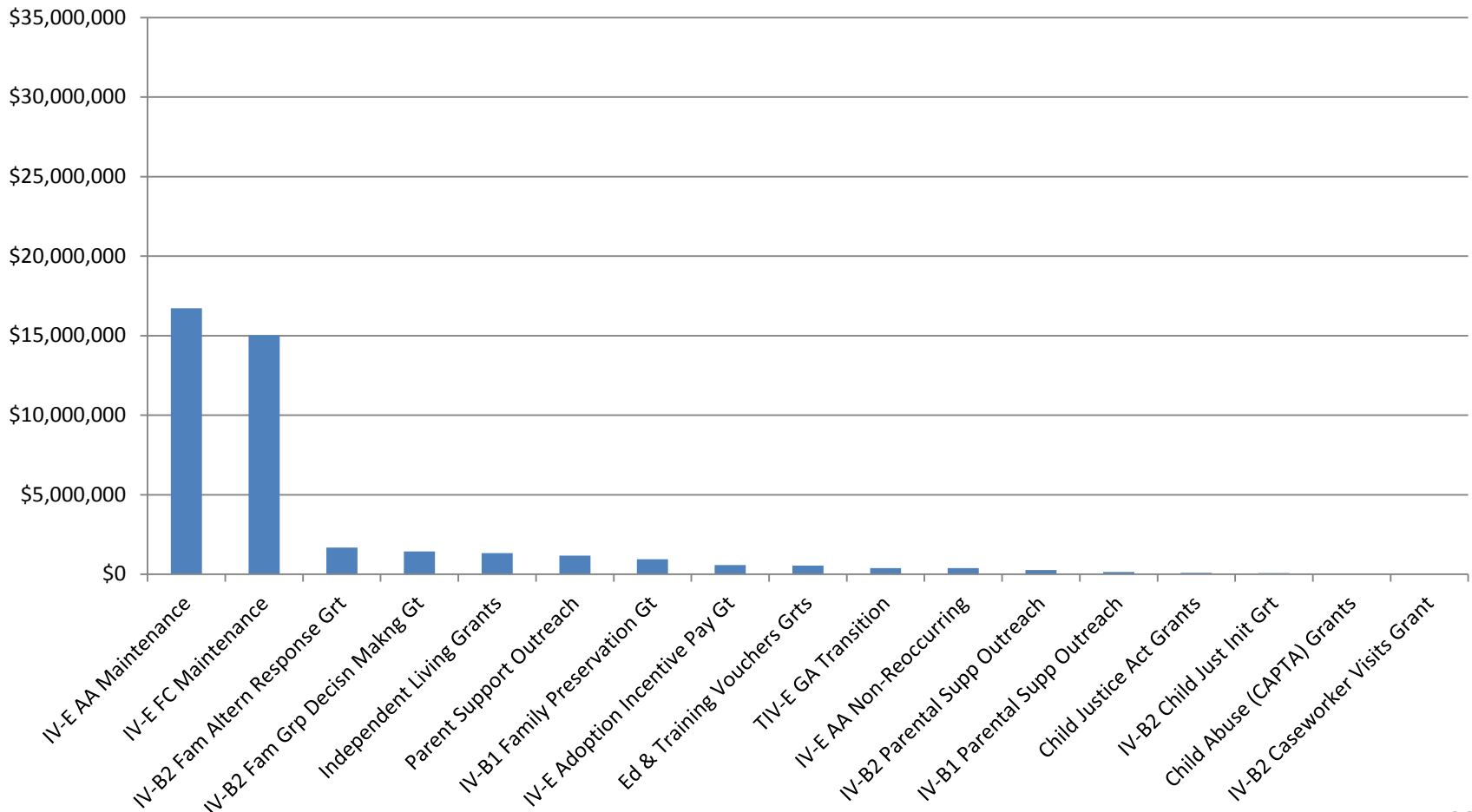
State Dedicated General Funds for Children's Services

SFY 2013 \$46.2M



Federal Dedicated Funds for Children's Services in Minnesota

SFY 2013 \$40.8M



Child Welfare Continuum and Financing in Minnesota 2013

	Pre-placement		Placement (Feds pay 50% match on eligible IV-E children)			
	Prevention/Early Intervention		Foster Care	Adoption of Special Needs Children	Independent Living	Relative Custody of Special Needs Children
Federal	Child Abuse Prevention and Treatment Act (CAPTA) \$1 M	Title IV-B Family Support/ Preservation/ Reunification Grants of Social Security Act \$3.4M	Title IV-E Foster Care of Social Security Act \$15 M	Title IV-E Adoption Assistance of Social Security Act \$17 M	Chaffee Independence Program, formerly IV-E Independent Living \$1.2 M	-
State	Children's Trust Fund Special Revenue \$0.6 M (match to Fed)	Early Intervention Grants \$0.8M (match); Indian Child Welfare Grants \$1.5 M		Subsidized Adoption Grants \$30 M (draws fed IV-E match for IV-E eligible kids)	Healthy Transitions and Homeless Prevention \$1 M (match to Fed)	Relative Custody Assistance \$7.5 M
County	Local tax levies, state aids, state block grant funds	Local tax levies, state aids, state block grant funds	Local tax levies, state aids, state block grant funds \$33 M			
Misc			Parental fees			

Note: State and county shares of foster care, adoption assistance, relative custody assistance and kinship care will change with the implementation of Northstar Care for Children in 2015.

Resource considerations

- Support a full continuum of child welfare activities or specific activities?
- Direct funding and fiscal incentives toward particular policy, outcomes, performance, services, or cost-effective best practices?
- Need balance between state-wide consistency (common infrastructure, continuous improvement, more capable workforce and service development) or local responsiveness (different levels of need by children/varying situations and capacity across the state)?
- Reduce complexity and associated administrative expenses?
- Improve balance among federal, state, and local contributions?
- Emphasize funding that is transparent?
- Support innovation?
- Rely on re-directing existing resources and/or generating new resources?
- Maximize federal funding to the greatest extent possible?
- Should state funds be used as flexibly or as targeted as possible?
- Assure a base level of funds available for infrastructure in each county?
- Reflect the workload of a county?
- Incent counties to continually improve their data entry to reflect the actual work? Incent counties to focus on what is important?
- What type of phase-in is intended? As soon as possible or over X years?
- Sustainable?
- Should financing/resources be similar between serving vulnerable children and vulnerable adults?
- Assessments, services, and service delivery provided in a culturally competent manner?
- Child's needs addressed holistically? Family's needs addressed holistically?
- Any unintended consequences of making changes?