Planning for the End of the IV-E Waiver, and Two Years Later, The Start of Families First
IV-E Waiver

• Under the IV-E Waiver, counties accepted a capped Federal allocation for flexible use

• Without a waiver, counties receive uncapped federal IV-E funds based on spending and “federal discount rates”

For SF, the waiver generated both more revenue and more flexibility.

• With this money, HSA funded ~$8.1 million a year in staff and contracts
End of the IV-E Waiver

The IV-E Waiver ended September 30, 2019

• In its place, Congress passed the Families First Preventive Services Act (FFPSA), which will provide new federal funding for preventive services and limit the use of federal funds for congregate care

• Since revenue is based on expenditures and caseloads have been declining, this will result in a loss of $4.7 million annually in SF

• $8.1 M in new expenses + $4.7 M in revenue loss = $12.8 M gap to bridge
Approach

- Obviously, we can bridge this gap by:
  - Reducing costs
  - Increasing revenues
  - Requesting more County general fund support
Reducing Costs

• Examine major categories of cost in our budget:
  o *CBO Contracts*
    ▪ How well are they achieving goals?
    ▪ How much of each type of service do we need to buy?
  
  o *Inter-Department Charges* (e.g., mental health and legal services)
    ▪ What level of service will we need in the upcoming years?
  
  o *Staff*
    ▪ Over the last decade, requirements have gotten more intense and clients have decreased
    ▪ How many staff do we need in each area to continue to do high quality work?
New Revenues

• **Families First Preventive Services Act (FFPSA) of 2018** –
  o California expected to implement in October 2021
  o FFPSA allows 50% Federal participation for some preventive services provided to candidates for foster care and their families:
    ▪ Mental Health, Substance Abuse, In-Home Skills Based Training
    ▪ New costs post FFY 2014
    ▪ Evidence Based

• **Bi-partisan Family First Transition Act (introduced Oct. 2019)** –
  o If passed would provide extra one-time funding (estimated to be $2M) and flexibility to help implementation and transition into FFPSA