

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

SAN FRANCISCO EXAMPLE

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:
 - *CBO Contracts*
 - How well are they achieving goals?
 - How much of each type of service do we need to buy?
 - *Inter-Department Charges* (e.g., mental health and legal services)
 - What level of service will we need in the upcoming years?
 - *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* –
 - California expected to implement in October 2021
 - 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)* –
 - If passed would provide extra one-time funding (estimated to be \$2M) and flexibility to help implementation and transition into FFPSA