Improving Outcomes for Children and Families in California's Foster Care System

Proposed Permanent Rates Structure

California has made transformative changes to the way the state cares for children and youth in the foster care system. The Continuum of Care Reform (CCR) was founded upon the collective belief that all children served by the foster care system need, deserve, and have an ability to be part of a loving family, and not to grow up in congregate settings. With these goals in mind, CCR implementation began in early 2017, bringing together a series of existing and new reforms to our child welfare services program. The interim rate structure that was created as part of CCR created a level of care system for children in family settings and a separate rate structure for those in congregate settings. Statute requires the California Department of Social Services (CDSS) to establish an "ongoing payment structure no later than January 1, 2025". In the development of this proposal CDSS engaged extensively with stakeholders, including through a work group process in the fall of 2022. Four rates subgroups met five times each from August - November of 2022. 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. **California is proposing to restructure our rates so that they are based on the child's assessed level of needs and strengths, and not based on the placement type.** If adopted, California will be the first state in the nation to take this approach.

It is crucial to recognize that proposed child welfare rate reform goes beyond just financial considerations. By restructuring the system as proposed, California can address historical racial inequities and help break the cycle of intergenerational poverty and trauma. This is an investment in our society's future, as well as a step towards making sure that children in foster care receive the support and care they need to thrive, ultimately leading to better outcomes for individuals, families, and communities.

- **KEEPING FAMILIES TOGETHER:** Over the last decade, CCR in California has focused on ending long-term congregate care placements in our foster care system, and increasingly placing children and youth with relatives. As a result, youth placement into congregate care has decreased by almost 60%, while placements into home-based settings have increased. 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.

- **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 (see proposed structure on the following page).

- **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. 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.

Improving Outcomes for Children and Families in California's Foster Care System

Proposed Permanent Rates Structure

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.

Improving Outcomes for Children and Families in California's Foster Care System

Proposed Permanent Rates Structure

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
Strength Building and Maintenance Child and Family work with a Financial Management Coordinator	$500
Immediate Needs	NA
FFA Admin (for youth placed in an FFA) *Recruitment, retention, approval, training, etc.*	$1,610

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
Strength Building and Maintenance Child and Family work with a Financial Management Coordinator	$700
Immediate Needs County or contracted provider coordinate services	$1,000
FFA Admin (for youth placed in an FFA) *Recruitment, retention, approval, training, etc.*	$2,634

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
Strength Building and Maintenance Child and Family work with a Financial Management Coordinator	$900
Immediate Needs County or contracted provider coordinate services	$1,500
FFA Admin (for youth placed in an FFA) *Recruitment, retention, approval, training, etc.*	$2,634

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
Strength Building and Maintenance Child and Family work with a Financial Management Coordinator	$900
Immediate Needs County or contracted provider coordinate services	$4,100
FFA/STRTP Admin (for youth placed in an FFA or an STRTP) *Recruitment, retention, approval, training, etc.*	$7,213

March 2024

Improving Outcomes for Children and Families in California's Foster Care System

Proposed Permanent Rates Structure

Case Example - Ages 0-5

Henri, 6-Months Old, based on Henri's CANS assessment he is placed in **Tier 2**.

- Henri was abandoned at a fire station shortly after his birth.
- Given his size and physical condition, it was determined that he was born premature and in need of urgent medical care.
- Henri was in the NICU for 2 months.
- During that time, he had symptoms of withdrawal including seizures, tremors, inconsolable crying, and an inability to sustain sleep.
- He continues to be behind in meeting physical and developmental milestones.
- His resource parents note that he is difficult to comfort and soothe.

Henri's Tier 2 Rate		
Care and Supervision Rate $3,490	**Strength Building Rate $700**	**Immediate Needs Rate $1,000**
• Compensate the basic care and supervision of a child (clothing, food, transportation, etc.). • Obtain the necessary equipment and items for the home to properly care for a newborn/infant that is considered high-risk (due to substance exposure, medically fragile).	• Strategies may include but are not limited to: Music together/kinder music/play groups/art classes/gym/swimming. • Peer support, mentoring, early childhood classes -- support for caregiver in caring for child. • Facilitation of activities, relationships, teaming, coaching, engagement of other family and community members to build or maintain strengths	• Strategies include but are not limited to: Visitation programs to support dyadic and relational dynamics with caregivers to support healing from trauma. • Facilitation of activities, relationships, teaming, coaching, engagement of other family and community members to address immediate needs

Improving Outcomes for Children and Families in California's Foster Care System

Proposed Permanent Rates Structure

Case Example – Ages 6 or older

Tessa, 16-Years Old, based on Tessa's CANS assessment she is placed in **Tier 3+**.

- Tessa's family was sexually exploiting her since she was nine. When she refused to 'work' Tessa was beaten, drugged, starved and forced to sleep on the floor of the garage. Since being in care at age twelve, Tessa has had over 20 placement changes due to fighting with resource parents, sexualized behavior, drug use and running away.
- Tessa has many behavioral health challenges including impulsivity and oppositional behavior; has difficulty sleeping, frequent panic attacks, and cuts and burns herself; has had a few crisis episodes and a psychiatric hospitalization for suicide attempts.
- Tessa has few friends and doesn't get along with any of her resource families. She has some support at school, but her anger issues and dysregulated behavior result in pushing others away.
- Tessa has few interests or recreational activities and is not very optimistic about her future.

Tessa's Tier 3+ Rate		
Care and Supervision Rate **$6,296**	**Strength Building Rate** **$900**	**Immediate Needs Rate** **$4,100**
• Compensate the basic care and supervision of a child (clothing, food, transportation, etc.) • Transportation due to higher levels of psychiatric appointments, medical appoints, group therapy sessions, etc. • Cleaning and repairs for damage to the home (e.g., resulting from behavioral issues, such as an outburst).	• Strategies may include but are not limited to: Fees and transportation for sports, clubs, and extracurricular activities. • Education and Skill Building Support for coaches, activity facilitators, etc. to understand the possible manifestation(s) of the child's trauma and how to best support throughout the season/activity.	• Strategies include, but are not limited to: Neurofeedback, the Neurosequential Model of Therapeutics (NMT), QEEG Neurofeedback (brainmapping), etc. • Peer support, mentoring, childhood classes -- support for caregiver in caring for child.