



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #214

### **In-Home Prevention Services (Children and Families -- Child Welfare)**

[LFB 2021-23 Budget Summary: Page 96, #27 and 106, #11]

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#### **CURRENT LAW**

Title IV-E of the federal Social Security Act provides reimbursements to states for costs of providing foster care, adoption assistance, and kinship and guardianship assistance. The reimbursement Title IV-E provides is an open-ended entitlement, such that there is no limit on the number or amount of claims that states may submit for reimbursement. However, funds are available only for certain reimbursable expenses made for children meeting the eligibility requirements. Generally, this includes maintenance payments for children in out-of-home care, administrative costs, and training.

The Family First Prevention Services Act (FFPSA) of 2018, enacted as part of Public Law 115-123, included several policy changes that limit federal reimbursement for congregate care and favor child placements in family foster homes. The act also provides uncapped reimbursement under Title IV-E for a portion of the costs of up to 12 months of services that are intended to prevent the need for children to enter out-of-home care. This includes substance abuse and mental health treatment services and in-home parent skills based programs, such as home visiting, parent training, and individual and family therapy.

Prevention services may be provided to three groups of people: (a) children identified as candidates for out-of-home care; (b) youths in out-of-home care who are parents or are pregnant; and (c) parents or kin caregivers of such children and youths. Services are reimbursable without regard to whether the child would be Title IV-E eligible. There is no income test for prevention services.

Evidenced-based programs eligible for reimbursement are rated by the Title IV-E

Prevention Services Clearinghouse as "promising," "supported," or "well-supported." States using these programs to deliver services to children identified as candidates for out-of-home care (or pregnant or parent youth in out-of-home care) may claim IV-E reimbursement if the service is provided under a federally-approved Title IV-E prevention plan. Pursuant to the Family First Transition Act (enacted as part of the Consolidated Appropriations Act of 2020), in federal fiscal years 2022 and 2023, at least 50% of the state's reimbursement must be expended for programs that are supported or well-supported. Afterwards, at least 50% of the reimbursement must be for programs that are "well-supported." Well-supported services currently include Homebuilders crisis intervention, certain home visiting programs (Healthy Families of America, Nurse-Family Partnership, and Parents as Teachers), and Motivational Interviewing counseling services.

Federal law requires states to maintain a written prevention plan listing the programs and services that will be provided in order for a child to remain safely at home, live temporarily or permanently with a related caregiver, or to prepare a parenting foster youth to be a parent (and describe the prevention strategy for any child born to that youth). If the child or family is re-identified as a candidate for out-of-home care, services may be provided under another a new 12-month prevention plan. All services must be trauma-informed and provided in accordance with general practice requirements and be promising, supported, or well supported practices.

According to the federal Substance Abuse and Mental Health Services Administration, a program or organization that uses a trauma-informed approach: (a) realizes the widespread impact of trauma and understands potential paths to recovery; (b) recognizes the signs and symptoms of trauma in clients, families, staff, and others; (c) responds by fully integrating knowledge about trauma into policies, procedures, and practices; and (d) seeks to actively prevent re-traumatization.

Through October 1, 2026, the federal reimbursement rate for prevention services will be 50% of eligible costs. Afterwards, the reimbursement rate will equal the state's federal medical assistance percentage (FMAP) matching rate. State prevention services must meet certain federal standards for effectiveness. Training and administrative costs associated with prevention services will be reimbursed at 50% of eligible costs.

The FFPSA permitted states to delay the provisions of the FFSPA regarding the limitation of reimbursement for congregate care. However, by doing so, the provisions for federal reimbursement of prevention services were similarly delayed. DCF requested delayed implementation until October 1, 2021. Thus, effective October, 2021, uncapped Title IV-E reimbursement becomes available for a portion of the costs of up to 12 months of services intended to prevent the need for children to enter out-of-home care.

#### *Prevention Services under Current Law*

The FFPSA requires states electing to provide Title IV-E prevention services to maintain the same level of state foster care prevention expenditures as the state spent in federal fiscal year 2014. This includes county expenditures used for prevention services and activities that were focused on candidates for foster care (\$352,900 in federal fiscal year 2014).

In addition to county expenditures, the largest prevention program under current law is the

Wisconsin Family Foundations Home Visiting (FFHV), provides grants to local agencies to provide voluntary home-visiting services to at-risk communities to prevent child abuse and neglect. DCF provides FFHV grants to county agencies, cities, nonprofit agencies, and tribal organizations. Many programs are collaborations involving multiple agencies, with a primary contractor and one or more subcontractors. In 2020-21, funding of \$16,697,800 supports the program, including \$1,985,700 GPR, \$6,212,100 FED from the temporary families for needy assistance (TANF) block grant, and \$8,500,000 FED from the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program under Title V of the Social Security Act.

Other prevention programs include \$500,000 FED TANF provided annually for child abuse and neglect prevention grants to counties, tribes, and non-profit organizations to expand prevention services that reduce the contact families have with the child welfare system and prevent the removal of children from the home.

In addition, TANF funding supports two safety service programs. First, TANF funding of \$5,282,400 in 2020-21 supports targeted safety support funds (TSSF) to reimburse county agencies for the costs of certain services and supports that may be used as part of a safety or protective plan. TSSF is available in Milwaukee County, 42 other counties, and one tribe where abuse or neglect issues have been identified, but the child protective services agency has determined that the child can remain at home safely. These services may include: (a) supervision, observation, basic parenting assistance, social and emotional support, and basic home management; (b) child care; (c) routine and emergency drug and alcohol screening and treatment services; (d) family crisis counseling; (e) routine and emergency mental health services; (f) respite care; (g) housing assistance; and (h) transportation. Families receive services that are appropriate to their specific situations based on the safety plan.

Second, TANF funding of \$4,031,900 supports contracts in the Division of Milwaukee Child Protective Services (DMCPS) with Children's Hospital of Wisconsin-Community Service and SaintA, as well as services provided via a network of providers to provide in-home services for families through the intensive in-home services program. Intensive in-home services are available to families where threats to child safety have been identified, but the initial assessment unit has determined that the child can remain at home safely if the family receives appropriate services. Families receive intensive in-home services until parents can demonstrate sufficient protective behaviors and threats to child safety are significantly reduced or eliminated. Intensive in-home services may include: (a) supervision, observation, basic parenting assistance, social and emotional support, and basic home management; (b) child care; (c) routine and emergency drug and alcohol screening and treatment services; (d) family crisis counseling; (e) routine and emergency mental health services; (f) respite care; (g) housing assistance; and (h) transportation.

## **DISCUSSION POINTS**

1. FFPSA requires a significant shift away from practices that currently focus on removing children from unsafe homes, to instead providing intervention services that prevent removals, including training staff, finding service providers, locating available programs, and new cost reporting procedures. DCF expects a significant decrease in IV-E claiming related to the decrease in

reimbursable congregate care costs.

2. New IV-E reimbursement will be available for in-home prevention services that will offset some of the reductions in federal IV-E revenue the state currently claims for out-of-home care. However, DCF indicates that the availability of prevention services under current law are limited for several reasons. First, the in-home services the state currently funds, as described above, are not focused on candidates for foster care, and are, in any case, largely funded with federal funds. As a result, these programs will not be eligible for Title IV-E reimbursement under the FFPSA rules.

3. Second, intensive in-home services and safety services are funded with TANF, and therefore TANF rules and regulations (such as income restrictions, participation time limits, and work requirements) limit eligibility for these services, as well as the types of services that may be provided. For example, TANF cannot be used to for medical expenses or respite care. As a result, these programs cannot serve all families that need child welfare intervention that would make the home safe enough to avoid the removal of the child from the family. Thus, these prevention services are limited in their ability to scale statewide or expand in the types of services that are needed.

4. Further, many areas of the state lack providers that offer programs that qualify under the FFPSA as "well-supported" by the Prevention Services Clearing House, due to either a lack of county funding for available services or lack of trained and certified providers. This limits availability of prevention services and reduces IV-E reimbursement under the FFPSA. DCF indicates that rural areas are especially limited, due to the lack of trained and certified providers. Travel costs and fees are a barrier for practitioners in rural areas, as such costs are not reimbursed.

5. Based on information DCF has gathered regarding maintenance of effort requirements and conversations with various agency partners across the state, the Department has concluded that there is very limited use of evidence-based interventions at the county-level or within the DMCPs, that are both on the Title IV-E Prevention Clearinghouse and meet the evaluation expectations laid out under the FFPSA. Local agencies and providers have identified that the lack of sustained funding as a key barrier to implementing evidence-based programs, and therefore continue to request additional funding to provide immediate and temporary direct family supports to keep children in their family homes. Without funding for training, start-up, and infrastructure, DCF indicates that maintaining fidelity to evidence-based programs would not be viable at the county or DMCPs levels. While some evidence-informed practices have been implemented at the local level, DCF believes that it is unlikely that any of them would be claimable under FFPSA. Thus, DCF states that the state's ability to claim IV-E on prevention services or to evaluate local program effectiveness would be greatly diminished without new state funding.

6. As a result, under current practices and current law, the availability of prevention services and reimbursement under Title IV-E is limited. DCF indicates that expanding services by creating evidenced-based prevention services programs across the state would increase federal reimbursement and reduce the number of children removed from their homes.

7. Assembly Bill 68/Senate Bill 111 (AB 68/SB 111) would create a new GPR appropriation and provide \$12,342,700 (\$8,613,400 GPR and \$3,729,300 FED IV-E) annually to implement a statewide in-home prevention services program. The program would be part of the state's

prevention plan required by the FFPSA. DCF estimates that the effective federal IV-E reimbursement rate would be 30% because the following startup and development expenses are anticipated to be reimbursed at 35% and because some of the expenses would not qualify for reimbursement.

8. The in-home prevention program would qualify for federal Title IV-E reimbursement for prevention services pursuant to the FFPSA by serving children at imminent risk of placement into out-of-home care. The program could serve populations and provide crisis medical and respite care that similar home visiting programs funded from the TANF block grant cannot due to financial and time limit restrictions in TANF-funded programs. Thus, in addition to generating additional federal funds, the program can serve families that may otherwise not qualify for prevention services under current law.

9. The proposal includes the following elements. First, several statutory changes would authorize DCF to do the following: (a) provide funding to county departments, nonprofit corporations, Indian tribes or licensed child welfare agencies under contract with DCF or a county department for services to prevent the removal of children from the home or to promote the safety of children in the home; (b) provide direct support for evidence-based services provided by DCF, county departments, Indian tribes, or licensed child welfare agencies that seek to prevent the removal of children from the home or to promote the safety of children in the home on a statewide, regional, or local level, and (c) develop criteria, standards, and review procedures for administration of these provisions, and to promulgate rules relating to eligibility to receive support for these services. With respect to the provisions listed under (b), the supports and services could include: (i) training, coaching, quality assurance, and funding for certification or licensing for implementation of the evidence-based services; and (ii) purchasing or subsidizing the purchase of the evidence-based services.

10. Second, annual funding of \$5,955,200 (\$3,870,900 GPR and \$2,084,300 FED) would fund the development of "well-supported" prevention programs across the state. This includes training for child welfare workers and service providers on comprehensive in-home service models that connect families with prevention services, such as evidence-based parenting programs. Once a provider network is created, counties would pay for the services provided (and furnish information for federal reimbursement to DCF, currently 50% of service costs). Funding would support training for approximately 1,000 workers and 200 supervisors annually, at an average cost of approximately \$5,287 per worker and \$1,466 per supervisor. This includes \$375,000 (all funds) annually to support supplements for training in rural areas.

11. Third, annual funding of \$200,000 (\$130,000 GPR and \$70,000 FED) would support development and delivery of county worker training. DCF would develop training for workers through the Wisconsin Child Welfare Professional Development System. The training is intended to shift practices which focus on removing the child from the home to focusing on preventing removal. DCF indicates that it would also create a system of family supports, such as mentors and respite care.

12. Fourth, annual funding of \$6,187,500 (\$4,612,500 GPR and \$1,575,000 FED) would complement evidence-based programs by delivering direct family support services to prevent the removal of children from their homes. County agencies would provide direct supports to families in crisis and in need of stabilization to an estimated 1,500 families annually, at an average cost of approximately \$4,125 per family. DCF indicates that such services are crucial to supporting and

keeping children and families together. However, no such services have yet been found as "well-supported" under the Title IV-E Prevention Services Clearinghouse.

13. Finally, DCF would reassign existing positions (2.0 FTE) in 2021-22 to provide training, locate providers, and implement new cost-reporting for programmatic and fiscal purposes.

14. The Committee could incorporate all of the provisions of AB 68/SB 111 relating to this item (Alternative 1) for several reasons.

15. First and foremost, expanding the availability of prevention services would benefit children who are at risk of being removed from their homes. Successful early interventions may prevent children from experiencing the adversity and trauma of being removed from their home and placed into out-of-home care. According to DCF, research indicates that for children who have experienced maltreatment, family separation and out-of-home placements provides little measurable benefit in terms of cognitive or language outcomes, academic achievement, mental or behavioral health, or suicide risk. For children who have experienced maltreatment, out-of-home placement may cause additional harm that can persist into adulthood, such as increasing the risk of criminal behavior, and increased risk of early mortality.

16. Second, creating the statewide in-home services program would enable DCF to claim additional federal Title IV-E reimbursement that it would likely be unable to collect under current programs and county expenditures for prevention services. This would recoup some of anticipated decrease in claimable IV-E reimbursement for congregate care settings under FFPSA.

17. Third, to the extent that prevention services are successful, the state could see savings in out-of-home care maintenance costs for children that would now remain in their homes rather than reside in the out-of-home care system. For example, the Washington State Institute for Public Policy study of the Homebuilders in-home prevention services program found a benefit to cost ratio of \$4.76 for every \$1.00 spent, and a total cost savings of more than \$13,000 per family. DCF indicates that although the overall number of cases may not change, the composition of cases in the future would differ because many children would receive services to remain in their home, thereby never entering out-of-home care. As a result, the costs of prevention program may prevent out-of-home care costs in the future.

18. On the other hand, the Committee could decide that it is unnecessary to fund the costs of direct family support services in 2021-22, since: (a) the Title IV-E Prevention Services Clearinghouse has not yet approved programs as well supported; and (b) it may take some time to implement these programs after the Clearinghouse makes its determinations. Consequently, the Committee could provide \$6,155,200 (\$4,000,900 GPR and \$2,154,300 FED) in 2021-22 and \$12,342,700 (\$8,613,400 GPR and \$3,729,300 FED) to reflect the costs of delaying the direct family support services component of the program to fiscal year 2022-23 (Alternative A2).

19. Alternatively, the Committee could decide to provide additional funding for current programs funded using the TANF allocation for safety services, rather than, or in addition to, creating a new in-home prevention services program (Alternative A3). However, as previously indicated, since TANF rules apply to the use of these funds, not all families that could benefit from in-home prevention

services could receive services under TANF-funded programs, the types of services they would be limited by TANF rules, and the state could not claim additional Title IV-E federal matching funds for these services.

### **Child Welfare Prevention Services**

20. AB 68/SB 111 would increase funding for child welfare prevention services by \$500,000 FED TANF annually and require DCF to allocate that same amount to the nurse family partnership visitation program in Milwaukee County.

21. The nurse-family partnership provides home visiting services to first-time, low-income mothers and their children. It includes one-on-one home visits by a trained registered professional nurse to participating clients. The visits begin early in the woman’s pregnancy (with program enrollment no later than the 28th week of gestation) and conclude when the woman’s child turns two years old. The program's goal is to improve prenatal and maternal health and birth outcomes, child health and development, and families’ economic self-sufficiency and maternal life course development.

22. The Committee could choose to increase the TANF allocation for prevention services by \$500,000 and require that TANF funding to be provided to the nurse family partnership visitation program in Milwaukee (Alternative B1).

23. Alternatively, the Committee could choose to provide a different amount for the TANF allocation to support prevention services statewide under both FFHV and the nurse family partnership visitation program in Milwaukee (Alternative B2).

## **ALTERNATIVES**

### **A. In-Home Prevention Services**

1. Provide \$12,342,700 [\$8,613,400 GPR and \$3,729,300 FED (Title IV-E)] annually to create and implement a statewide in-home prevention services program. Create an annual GPR appropriation for this purpose.

<b>ALT A1</b>	<b>Change to Base</b>
GPR	\$17,226,800
FED	<u>7,458,600</u>
Total	\$24,685,400

2. Provide \$6,155,200 [\$4,000,900 GPR and \$2,154,300 FED (Title IV-E)] in 2021-22 and \$12,342,700 (\$8,613,400 GPR and \$3,729,300 FED) annually to fund all of elements of the in-home prevention services program in Alternative 1, except funding to support direct family support services in 2021-22. Create an annual GPR appropriation for the purpose.

<b>ALT A2</b>	<b>Change to Base</b>
GPR	\$12,614,300
FED	<u>5,883,600</u>
Total	\$18,497,900

3. In addition to, or instead of Alternatives A1 or A2, increase the annual TANF allocation for safety services, including targeted safety support funds and in-home safety services, by one of the following amounts, beginning in 2021-22: (a) \$1,000,000 FED; (b) \$2,000,000 FED; (c) \$3,000,000 FED; or (d) \$4,000,000 FED.

<b>ALT A3</b>	<b>Change to Base</b>
(a) FED	\$2,000,000
(b) FED.	\$4,000,000
(c) FED	\$6,000,000
(d) FED	\$8,000,000

4. Take no action.

**B. TANF Allocation for Child Welfare Prevention Services**

1. Increase the TANF allocation for child welfare prevention services by \$500,000 FED annually, beginning in 2021-22, and require DCF to allocate that same amount of TANF funding to the nurse family partnership visitation program in Milwaukee County.

<b>ALT B1</b>	<b>Change to Base</b>
FED	\$1,000,000

2. Increase the annual TANF allocation for child welfare prevention services, including the family foundations home visiting program and home visiting services in the City of Milwaukee, in one of the following amounts, beginning in 2021-22: (a) \$1,000,000 FED; (b) \$2,000,000 FED; (c) \$3,000,000 FED; or (d) \$4,000,000 FED.



<b>ALT B2</b>	<b>Change to Base</b>
(a) FED.	\$2,000,000
(b) FED	\$4,000,000
(c) FED	\$6,000,000
(d) FED	\$8,000,000

3. Take no action.

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