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Fiscal Capacity and Decision Making Flexibility and the Title IV-E Waiver

Laura Ann Mayate-DeAndreis
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Walden University

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Laura Mayate-DeAndreis

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Walden University
2022

Abstract

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by

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M.A., California State University Stanislaus, 2001

B.A., California State University Stanislaus, 1994

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

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Public Policy and Administration

Walden University

February 2022

Abstract

Public managers must reconcile fiscal constraints within a confined decision-making environment. This study was conducted to examine the extent to which policy tools, such as the Title IV-E waiver demonstration, facilitate cost control and increased decision-making flexibility. The central question guiding the study was whether policy tools enable public managers to effectively meet policy goals within inelastic fiscal and regulatory environments. Choice theories provided a theoretical framework to examine the multidimensional aspects of decision making and policy prioritization. An exploratory case study approach was employed to compare the change in fiscal capacity and flexibility of California counties participating in the Title IV-E waiver program with comparable counties not participating in the program. The data used for this study came from county, state, and other public agency resources specific to the scope of Title IV-E funded services; data were organized and analyzed using Atlas.ti is a qualitative software program. The findings of this study indicated that the potential to control costs and gain managerial discretion afforded by the waiver were diminished by other policy prioritization decisions. This study contributes to raising awareness of the complexity of fiscal management within county structures and facilitates increased scholarly interest in the study of county-specific issues. This study contributes to positive social change by raising awareness of the complexity of fiscal management of social service programs within county structures. The study facilitates increased scholarly interest in the study of county-specific issues.

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Chapter 1: Introduction to the Study

Background of the Study

Social services programs providing a safety net for low income and vulnerable adults and children have long been maligned as inefficient, costly, and major contributors to excessive government bureaucracy. The significant issue of contention regarding social service provision is the funding structure for these programs. The Social Security Act of 1935 authorized funding for social services as an open-ended entitlement. Although states and local governments are required to match federal funds, the entitlement to federal funding was initially uncapped. The lack of fiscal and programmatic controls for social service provision has evoked a variety of responses to address these problems.

Reform measures to address the problems with social service provision have been guided by new public management (NPM) theories. Pursuant to the NPM premise, efficient and cost-effective social welfare program design and funding should be tied to outcome and performance measures. In alignment with NPM, the use of policy tools, such as block grant funding, is one method to achieve cost efficiency. Devolution is another policy tool used to shift responsibility to state and local government. The goal of devolution is twofold. First, it facilitates the use of performance and outcome measures to hold state and local government accountable. Second, it provides a mechanism to reduce federal bureaucracy.

The Personal Responsibility and Work Opportunity and Reconciliation Act of 1996 (PRWORA) is representative of successful reform to devolve social service

provision to state and local government. PRWORA ended the open-ended entitlement for the Aid to Families with Dependent Children (AFDC) program and created a block grant method of funding. Under the block grant, AFDC became the Temporary Assistance to Needy Families (TANF) program. TANF funding is capped with more stringent participation and reporting requirements. TANF also includes time limits for the length of time participants can receive cash aid, which were not imposed in the previous program. There has been significant resistance to ending the other entitlement funding and replacing them with a block grant (Waller, 2005).

The resistance to the use of the block grant has been especially so for child welfare services (CWS). The federal government has developed waivers to demonstrate the viability of a block grant method of funding. (Miller et al., 2013; Thompson, 2013; Waller, 2005) The hope is that demonstrated success of the block grant funding mechanism will facilitate a transition away from entitlement. Title IV-E is the primary funding source for CWS. The federal government has created the IV-E waiver pilot that states may participate in voluntarily.

Several funding streams support CWS: Title IV-B, Title IV-E, and Title XX are all subsections of the Social Security Act. Each designates federal funding for specific types of services. Title IV-B provides funding for the case management of child abuse prevention, family reunification, and permanency services. IV-E provides funding for child protective services, foster care, and adoption assistance. Title XX provides funding for health-related services. There are also TANF funds that support the eligibility determination component for CWS. CWS TANF is allocated within the TANF block

grant. Excluding the TANF funds for CWS, IV-E is unique in that these funds are uncapped, open-ended entitlement funds. Title IV-B and XX funds are capped.

Federal categorical aid programs are restrictive regarding the allowable activities the funding can be used for. The restriction on the use of federal funds has been criticized as a barrier to the development of service delivery improvements and new initiatives, particularly in terms of enhancing preventive and family-strengthening measures. This is a structural problem inherent within existing law. CWS is designed to be reactive rather than proactive. Specifically, social services involvement occurs after abuse or neglect has happened, rather than front-end preventive action. A waiver demonstration project for CWS was authorized in 1994.

Problem Statement

There is a problem maintaining specified levels of fiscal resources among California county welfare agencies due to increasing budget uncertainty. County governments lack flexibility in fiscal capacity and decision making to effectively respond to increased fiscal constraint. This is even more problematic at the department level. California county welfare agencies must adhere to dual social service mandates. First, as arms of the state, county welfare agencies are charged with administering federally mandated social service programs to all applicants who meet eligibility requirements. Second, the state of California imposes similar mandates to provide social services to those who are not eligible under federal guidelines.

The current structure of entitlement funding poses challenges to county welfare agencies. First, the open-ended feature of entitlements, while offsetting the full cost of

service provision to the state and county, can increase fiscal pressure pursuant to reductions in state and county resources necessary to match federal funds. Second, the implementation of policy tools at the federal and state levels further exacerbates constraints in fiscal capacity and decision-making processes for local governments. Devolutionary trends manifest in converting entitlements to block grants, and measures shifting responsibility from one level of government to the next increase fiscal uncertainty. Most recently in California, under the fiscal year 2011–2012 Budget Act (Realignment 2011), the legislature and governor realigned funding for criminal justice, mental health, and CWS. Realignment shifted the fiscal responsibility for the administration of these programs to the counties.

Realignment 2011 revised the state of California’s method of allocating state funds to support the realigned programs. Rather than provide yearly general fund program allocations, the realignment earmarks specific tax revenues to be distributed based on the state’s historical allocation methodology for each program (CDSS CFL 11/12-18, 2011). The state is guaranteed providing revenues to cover the increase in county program costs for a 5-year period (LAO, 2011). After the expiration of the state guarantee, a county’s proportionate share of the tax revenue distribution may fall short of covering expenses, which could have negative impact on local general fund reserves or necessitate cuts in other county-provided services.

Purpose of the Study

In this study, I examined the extent to which policy tools, such as the Title IV-E waiver demonstration, facilitated cost control and increased decision-making flexibility. I

examined the usefulness of choice-based theories and the practical applications to budget decision-making processes within local government, specifically at the departmental level within counties. There has been extensive research on theoretical applications at the federal and state levels of government. Less analysis has been done at the county level. Counties are unique because they are considered extensions of the state and have more limits in generating revenue compared to municipalities. This constraint has implications on the ability of county officials to act in the best interest of their local constituencies. This study adds to the need for county-specific research in budgeting and fiscal policy implementation.

Research Questions

The study was a qualitative inquiry using a comparative approach examining the usefulness of block grant funding structures and was guided by the following research questions:

RQ1: Do policy tools such as the Title IV-E waiver enable greater discretion and flexibility for county welfare agencies?

RQ2: Have waiver counties experienced increased fiscal capacity?

RQ3: Have waiver counties experienced greater flexibility to adjust to other factors affecting fiscal capacity?

RQ4: Are waiver counties able to increase prevention and permanency activities?

Conceptual Framework

Budgeting is primarily viewed as an administrative tool providing a procedural framework to carry out policy objectives. Pursuant to rational choice theory, the budget

decision-making process is based on consideration of all possible alternatives and selection of the alternative providing optimal utility. In this framework, rational choice is the foundation of strategies to achieve efficiency in prioritizing and allocating resources. Based on a distinction between administration and politics, budgeting should be inherently objective. From this perspective, budgeting is linear in scope, assuming alternatives with specific objectives can be considered in isolation from other choices with differing objectives but in competition for resources.

Nature of the Study

In this study, I employed an exploratory case study approach to compare the change in fiscal capacity and flexibility of California counties participating in the Title IV-E waiver program with comparable counties not participating in the program. The case study was conducted through extensive secondary document analysis of fiscal and program data available from state and county sources. This method is consistent with the objectives of the exploratory case study approach to increase familiarity with a topic, to examine a persistent phenomenon, and to describe how a policy tool, such as the Title IV-E waiver, is being utilized and comparing county experiences as a result.

Definition of Terms

Block grant: A funding method that allocates a fixed amount of dollars to support a program (Hall, 2008; Rubin & Bland, 1997; Salamon, 2002).

Capacity: The degree of discretion in the use of funds or in the ability to make budgetary or programmatic adjustments (Chervin, 2007; Schick, 2009).

Child welfare services (CWS): Services mandated under the Social Security Act with the purpose of protecting children who are at risk of or have been subjected to abuse or neglect (Mangold & Cerulli, 2009; Schwartz & Lemley, 2011; Sun, 2010).

Devolution: A process of decentralizing government functions and/or responsibility; this process is a shift from a higher level of government to a lower-level jurisdiction (Brodkin, 2007; Barzelay, 2001; Mikesell, 2007; Ni & Zhao, 2008; Salamon, 2002).

Entitlement: The commitment of funds to support a program that has no limit; federal entitlements guarantee that the federal government will provide matching funds for every state/local dollar spent regardless of the cost (Mangold & Cerulli, 2009; Salamon, 2002; Schwartz & Lemley, 2011).

Flexibility: Discretion in how funds will be applied in the provision of services (Chevin, 2007; Hall, 2008; Hou & Moynihan, 2007; Schick, 2009).

Matching funds: To access federal funding, state and local governments may be required to match the amount of federal dollars distributed to the state/local government for a program (Doyle & Peters, 2006; Handley, 2008; Mangold & Cerulli, 2009).

Social Security Act: The Social Security Act of 1935 is the authorizing statute that allocates federal funds for an array of social services including CWS (Mangold & Cerulli, 2009; Schwartz & Lemley, 2011; Sun, 2010).

Title IV-B: A subsection of the Social Security Act that authorizes funding for services designed to prevent child abuse and neglect and strengthen families; this is a capped allocation (Mangold & Cerulli, 2009; Schwartz & Lemley, 2011; Sun, 2010).

Title IV-E: A subsection of the Social Security Act that authorizes funding for child protective services, foster care, and adoption assistance for children in foster care with special needs; this is an uncapped entitlement (Mangold & Cerulli, 2009; Schwartz & Lemley, 2011; Sun, 2010).

Waiver demonstration: A time limited waiver from specified program restrictions in exchange for receiving federal funding in the form of a block grant (Salamon, 2002).

Assumptions

At the time the Title IV-E Waiver was piloted in California, there were only 2 out of 28 counties participating in the IV-E Waiver. In the event that a survey instrument might be utilized, it was assumed that both of the Waiver counties would be willing respondents. The document analysis relied on information readily available in the public domain on the world wide web. Other public documents were easily obtained through a public records request.

Scope and Delimitations

The Title IV-E waiver program is available to all 50 states. Participation in the waiver program is voluntary. The waiver program requires states to develop an implementation plan utilizing at least one of ten policy areas intended to improve child welfare outcomes. Each state has discretion on how child welfare services is implemented, while ensuring compliance with federal guidelines and requirement. The scope of this study is limited to the State of California and California's federally approved implementation plan for the five-year pilot period that began in the 2007-2008 state fiscal year. This ensures consistency in the data collected and analyzed in this study.

The State of California did not require county participation. At the time that the waiver program was implemented as a 5-year pilot, only 2 out of 58 counties volunteered to participate. The scope is further delimited by narrowing the county data analyzed to the two participating waiver counties and two nonwaiver counties the selected study time frame. The two nonwaiver counties selected to provide a comparison control group (Sacramento and San Diego) was based on caseload characteristic similarities.

Limitations

There were several limitations to this study, the first of which was my status as a stakeholder in a California county welfare agency. My responsibilities in my stakeholder role included budget development and monitoring of child welfare program funding. However, the county I was employed with is among the 56 counties not participating in the IV-E waiver. The use of reliable methods of document analysis and survey design significantly minimized, if not prevented, personal bias in this research. The exploratory nature of this research was another limitation. The Title IV-E waiver has several components in which states may opt to participate. Of the states with demonstration projects in place, participant states have not selected all the same waiver components to implement. A more comprehensive comparison of how specific components of the waiver are proving to be successful and research into the reasons for the lack of success are recommended in the future.

Significance of the Study

Research into the use of policy tools in response to fiscal stress at the federal and state levels of government has been extensive. Similar research specific to counties,

however, is less robust. This study contributes to the body of work addressing local government response to fiscal stress and capacity to sustain departmental service objectives. Additionally, the context of the study highlights the effect of social welfare policies on the dynamics between centralized and decentralized government units and how this has a significant effect on local agency fiscal management and capacity expansion or retraction (Posner, 2007). Fiscal efficiency and the ability to control costs for social services is highly politicized across all levels of government. This research provided an opportunity to promote social change through scholarly examination of a real-time solution being implemented.

Counties and county-specific issues are frequently aggregated with research centered on states or municipalities. While counties are arms of the state, counties operate within a complex system of intergovernmental relations balancing conflicting policy objectives from federal, state, and local authorities. Benton et al. (2007) noted that expanding county specific research is warranted as service delivery expectations from counties are extending beyond their traditional scope as counties respond to events that have national and global impact. This study may raise awareness of the complexity of fiscal management within county structures and facilitate increased scholarly interest in the study of county-specific issues. In addition, this study contributes to social change by bridging research with practical applications, highlighting both best practices information and pitfalls to avoid in fiscal management and service provision for public managers.

Summary

In Chapter 1, I outlined the problem that was studied, the approach to conducting the study, and the research questions addressed in the findings. Chapter 2 includes an overview of the fiscal capacity and decision-making literature relevant to the problem under study. The theoretical foundation guiding the selected research is also covered in Chapter 2. In Chapter 3, I detail the rationale for the methods employed to evaluate the relationship between fiscal capacity and decision-making constraints with the implementation of policy tools like the Title IV-E waiver.

Chapter 2: Literature Review

Introduction

Balancing constituent demand for public services and the fiscal capacity to meet demand is a continuous challenge. Some critics perceive this imbalance as an indicator that government is too large and has extended beyond the limitation outlined in the Constitution. Others perceive the problem as a systemic or procedural problem to be remedied by making some sort of structural modification. In either case, bureaucratic management and constrained fiscal capacity are the heart of these concerns. Fiscal control improvements are necessary for government to be more efficient and effective.

Maintaining adequate levels of fiscal resources among California county welfare agencies due to increasing budget uncertainty is problematic. County governments lack flexibility in fiscal capacity and decision making to effectively respond to increased fiscal constraint. This is even more problematic at the department level. California county welfare agencies must adhere to dual social service mandates. First, as arms of the state, county welfare agencies are charged with administering federally mandated social service programs to all applicants who meet eligibility requirements. Second, the state of California imposes similar mandates to provide social services to those who are not eligible under federal guidelines.

The current structure of entitlement funding poses challenges to county welfare agencies. First, the open-ended feature of entitlements while offsetting the full cost of service provision to the state and county can increase fiscal pressure pursuant to reductions in state and county resources necessary to match federal funds. Second, the

implementation of policy tools at the federal and state levels further exacerbates constraints in fiscal capacity and decision-making processes for local governments. Devolutionary trends manifest in converting entitlements to block grants, and measures taken to shift responsibility from one level of government to the next increase fiscal uncertainty. Most recently in California, under Realignment 2011, the legislature and governor realigned funding for criminal justice, mental health, and CWS. Realignment shifted a greater share of fiscal responsibility for the administration of these programs to the counties.

Realignment 2011 revised the state of California's method of allocating state funds to support the realigned programs. Rather than provide yearly general fund program allocations, the realignment earmarks specific tax revenues to be distributed based on each state's historical allocation methodology for each program (CDSS CFL 11/12-18, 2011). The state is guaranteeing providing revenues at the 2010–2011 fiscal year funding level to cover the increase in county program costs for a 5-year period (LAO, 2011). After the expiration of the state guarantee, a county's proportionate share of the tax revenue distribution may fall short of covering expenses, which could have a negative impact on local general fund reserves or could necessitate cuts in other county-provided services. Policy tools designed to achieve specific cost control and accountability goals at the federal (block grants) and state (devolution) levels increase fiscal uncertainty for county welfare agencies.

The problem explored is how public managers reconcile fiscal constraints within a confined decision-making environment to effectively respond to the former. To explore

the dysfunction created from each of these conditions, consideration must be given to what constitutes efficiently functioning public organizations and the kinds of behaviors expected and cultivated within bureaucracies. In this regard, choice theories (rational, public, and social) are useful to providing a framework for both structural and administrative components of public organizations. Based on the varying approaches in the literature addressing fiscal and discretionary capacity, I categorize the problem issue (constraints) with casual influences (circumstances influencing constraints). Problem issue categories are structural, external or discretionary in nature. Structural constraints are most often rule and regulatory based. Constraints resulting from externalities are driven by economic or political conditions. Discretionary constraints are factors that create limits in decision-making processes. In the first section of this chapter, I explore the theoretical dimensions of choice and its application to public fiscal management.

In the rest of this chapter, I review the approach taken to identify relevant available research and the different perspectives represented in the literature to problems associated with fiscal capacity and decision making. This includes an overview of jurisdictional context that provides the basis for specific tools, methods, and structural conditions that shape fiscal capacity and management. Particular emphasis is focused on varying approaches used to assess structural characteristics that effect decision-making objectives and outcomes. These generalized applications and assumptions about fiscal efficiency are synthesized within the context of social service provision and county welfare departments. The implications on further research specific to local fiscal decision making are discussed.

Literature Research Strategy

The initial search for primary source and peer-reviewed research began with the Walden University library and various multidisciplinary databases available through the library. The databases used included EBSCO, ProQuest Central, ScienceDirect, Academic Search, and Academic Pro Complete. Questia, an online library that provides subscribers access to books, scholarly journals, and articles, was another source used to locate relevant works. Online search engines such as Google Scholar were used to identify relevant research not identified through other sources. The websites for research institutions, such as the CATO institute, Annie E. Casey Foundation, the Public Policy Institute, and university-based research centers were used to identify recent research relevant to this study.

Fiscal capacity and *decision making* are key terms that provided the starting point for the literature search. The search was further refined adding on relevant words with the base key words. As relevant works were found, review of key words noted by other researchers were helpful in further developing the literature search process. Key word combinations derived from this process include *local fiscal capacity*, *fiscal distress*, *local budgeting*, and *fiscal constraint*. Replacing the word *local* with *county* and *child welfare finance* also facilitated finding research specific to county financing for child welfare and Title IV-E and IV-B funding.

The repetition in the use of the base key terms and added relevant terms yielded varied results. The Walden University library provides the capability to search multiple databases at one time. While this resulted in numerous journal articles to choose from,

focusing on databases specific to social science, public administration, and public policy increased the relevance of the literature identified. Likewise, research institutions that have focused research units or have public policy specialties were increasingly more likely to have relevant literature. Review of the sources in the literature as the articles were being collected was also instrumental to identifying new key word arrangements as well as additional research pertinent to this study.

Theoretical Foundations

Choice-based theories are a useful framework to assess the fiscal decision-making processes and behavior within bureaucratic institutions as a method for simplifying the complex dynamic between political influences and administrative responses (Leys, 1996). Rational choice has its origins in economics premised on describing expected individual consumer behavior. From the economics-based perspective, the expectation is that individuals will make choices to consume a good or service provided in the marketplace based on a hierarchy of preferences and willingness to pay for them. Preferences or the selection of goods that comprise the alternatives to choose from vary in the degree of utility that the individual perceives to receive benefit from. The rational individual will make choices pursuant to selecting goods and services that meet specific benefit maximizing criteria. Benefit maximizing criteria is subjective from one individual to the next. A shared characteristic of both choice categories is the exercise of choice in such a way that the selection of one alternative over another does not make the decision maker worse off than the respective status quo.

The application of rational choice in the public sector must reconcile conflict among individual choice preferences. Two public choice perspectives are sometimes used interchangeably: public choice and social choice. Public choice and social choice perspectives overlap regarding the role of government actors in decision making and outcomes serving public interests. Conversely, each public choice perspective differs in their emphasis on what drives the decision-making process. This distinction also results in differing notions of efficiency optimality.

The public choice perspective emphasizes the political dimensions of preferences represented through the political process and public institutions (Buchanan & Musgrave, 1999; Buchanan & Tullock, 1962; Olson, 1965). Milner (1994) noted that “the institutionalization of choice changes the dimension of choice” (p. 131). Aggregated preferences are reflected through procedures, rules, and policies governing decision making (Campbell, 2008; Russell, 1979). In this regard, the assumptions that pertain to individual decision making are not applicable in procedural-based decision making. This suggests that decision making within public bureaucratic systems is contextual and administrative in nature (Lowi, 1971; Simon, 1948; Wilson, 1989).

The social choice perspective, while also aggregating individual preferences, emphasizes the socialization of preferences (Arrow, 1963). Social choice is concerned with the reflection of social values in decision making. The utility function in this perspective is measured by the well-being of a society. Defining the well-being of a society is guided by values, such as equity, in the distribution of public goods. “Choice

made by a society is dependent upon the ordering of alternatives in that specific environment” (Arrow, 1963, p. 26).

Herbert Simon (1972) described rationality in organization as a “phenomenon in goal conflict” (p. 155). This is accurate to describe the difficulty that county welfare agencies face reconciling federal and state requirements with local county goals and limitations. A significant aspect of this phenomenon of goal conflict understands the environment that informs decision making and actions. Choosing the best course of action to take will be contingent on the extent of what is known or could reasonably be known. The consideration and selection of alternative courses of action are limited or bound to imperfect and likely incomplete information (Sargent, 1993; Simon, 1972). Simon (1972) described this limitation of information as “bounded rationality” (p. 87).

Rational behavior is a conscious and deliberate effort to determine the best course of action or method to get the best return possible. In this regard, public agencies are inherently rational because they exist to achieve a specific policy goal (Wilson, 1989). Likewise, public managers responsible for implementing policy are subject to rational decision making to further these objectives (Calia, 2001; Drucker, 1968; Kelly, 2003; Simon, 1948). These administrative decisions are responses that seek to meet organizational goals while estimating the best way to navigate through environmental uncertainties with limited information. Decision making for public managers is bound within the confines of what is known. Because public managers are forced to act with imperfect information, they ultimately seek to achieve a satisfactory outcome rather than the optimal outcome. Simon (1972) referred to this as *satisficing*.

Public management is not just limited by external environmental factors of uncertainty. There are significant structural limits that constrain the actions of public managers. As stated previously, organizations exist to carry out policy decisions from legislative bodies. These policies may be similar and yet conflict from one level of jurisdictional authority to the next. This is exemplified within county welfare agencies that must adhere to federal rules and state rules to carry out similar policy objectives. Implementation of one set of rules frequently conflicts the implementation of the other set of rules. Structural and procedural limitations are yet another form of bounded rationality.

Simon (1972) noted that rational choice may be descriptive (how choices are made) or prescriptive (the processes through which decisions are made). Decision making processes such as budgeting can be either descriptive or prescriptive. An agency's budget is considered to a key policy document that defines objectives and priorities. (Calia, 2001; Rubin, 1988; Shafritz & Russell, 2005) Another material attribute of budgeting is that it is a rule based fixed ordered series of actions. Both aspects of budgeting further demonstrate how the exercise of choice in public management is confined.

Management Methodology

While the budget process may be bound by rules, internal fiscal decision making and related processes within a public agency may be guided by a specific management method. How to manage is extension of how choice is exercised. Management methods may be prescriptive in that various methods are perceived as remedial solutions to bureaucratic inefficiency. How management is conducted covers a broad spectrum of

decisions and goal-oriented activities Likewise, management methods may describe an ideal process through which efficiency and effectiveness can be maximized. Budgeting is one component within the spectrum of decision-making processes.

Scientific management, idealized by Frederick Taylor (1917), emphasized centralized decision making in conjunction with standardized procedures and task specialization. Taylor (1917) depicted a dichotomous relationship between employers (managers) and employees that is inherently antagonistic. This antagonism is driven by the desire of the employer to keep production costs as low as possible and the desire of workers to earn as much as possible with the least amount of effort. The science in Taylor's method stems from the use of time motion studies to analyze production processes and to inform management decisions. Managers hold the responsibility of determining how work processes should be routinized to gain high productivity and consistency in the final product produced.

Gulick (1937) offered a detailed descriptive approach outlining functional areas that comprise management. This approach referenced by its acronym POSDCORB is illustrative that management is a series of coordinated effort among managers and line staff. The first two steps of the process involve planning organizational activities and organizing the structure that guides how work will be carried out. The next sequence of action is securing staffing and providing direction to staff regarding implementation of planned goals and objectives. Once staff understand what they are charged with completing, managers are responsible for overseeing the coordination of the various activities that are underway, and then reporting outcomes and developing budgets related

to work activities. Both the scientific management and POSDCORB examples accentuate that management and related decision-making process is a conscious endeavor.

Drucker (1968) offered yet another approach to administrative decision making that he described as management by objectives describing the functions of management and the rationale of managerial decision making. According to Drucker (1968) decision making is the main function of management. These decisions are driven by organizational objectives and goals. (Drucker, 1968, p. 19) In this regard decision making is a deliberate and an extension of organizational specific rationale. As a result, Drucker argued that management “cannot be made into a science” (Drucker, 1968, p. 21) Drucker recognized that while certain principles decision making can be generalized, effective management has its basis on organizational specific knowledge.

Budget Methodology

Budgeting methods are another means to achieve efficiency and is an extension of the decision-making process. Bland and Rubin (1997) outlined four budgeting methods in use by public managers. This further highlights another dimension of rational choice. The selection of a specific budgeting method may also be linked with a management methodology. Variances in management and budgeting method are associated with reform efforts to facilitate efficiency improvements that maximize desired outcomes and control costs.

Line-item budgeting is representative of the traditional ethos of linear top-down hierarchical managerial relationships in public sector organizations. (Bland & Rubin, 1997; Shafritz & Russell, 2005) Planned expenditures are categorized and listed. Through

the budget decision making process funding allocation are made to each listed expense category. The sum of all the line items is totaled to determine the budget.

Zero based budgeting is a process that involves ranking expenditure priorities. Fiscal planning starts with a zero base, building the budget from the bottom up. Several scenarios can be developed and compared with organizational objectives and projected funding. (Bland & Rubin, 1997) This approach is in line with the tenet of rational choice that posits the comparison of alternatives. Bland and Rubin noted that the weakness of this budgeting method is that it lends itself to subjective rather than objective judgment.

Target Based Budgeting is initiated from a centralized decision-making authority (Bland & Rubin, 1997), which in the case of counties would be the County Administrator or County Executive office. The centralized authority provides departments with a funding target for which proposed departmental budgets are developed within this maximum ceiling. Targets are based on revenue projections and other circumstances that may cause changes in funding. Target based budgeting is in line with the notion of bounded rationality. (Simon, 1972) Bland and Rubin criticized this method as being conducive to requiring “minimal information from departments” which enables “department heads choosing to withhold information if this will result in negative consequences to the department budget.” (Bland & Rubin, p.14)

Performance Based Budgeting seeks to link funding with policy and program objectives and goals. Measures are employed to account for cost efficiency and effectiveness of the activities employed to achieve goals. (Bland & Rubin, p.13) This method enables fiscal control by evaluating performance outcomes to determine funding

levels and priorities. Under performing (inefficient) programs could be eliminated re-allocating funding for (efficient) programs meeting performance expectations or other spending priorities.

Although management and budgeting methods can exist exclusive of one another, they are frequently co-linked in managerial reform movements in the public sector. Persistence of the view of bureaucratic inefficiency is reflected in the reform theories of the new public management (NPM), devolutionary trends and legislative actions. The National Performance Review of 1993 spearheaded the effort at the federal level to seek ways to improve controls on spending and create efficient bureaucracy. The characteristics of efficiency highlighted in this effort included reduction in the expanse of bureaucracy through privatization and shifting responsibilities to state and local governments. (Barzelay, 2001; Osborne & Gaebler, 1992) Another objective of this reform effort was to control spending by changing open ended entitlements for social service programs. The 1996 Personal Responsibility and Work Opportunity Act successfully altered the AFDC by restructuring it from an open-ended entitlement with no time limits to a block grant program with time limited participation.

Federal funding for child welfare programs is authorized by Title IV-Band IV-E of the Social Security Act of 1935. Title IV-B funding is capped. Conversely, Title IV-E is open ended entitlement funding. The federal government created the Title IV-E Waiver demonstration project to assess the feasibility of refashioning Title IV-E into a block grant. The Title IV-E Waiver program represents managerial and budgeting reform

efforts. It is also a good example of the use of a policy tool that serves a calculated and specific objective.

Review of the Literature

There is a wide range of research that is focused on fiscal capacity and decision making. The selection of the literature reviewed was guided by the shared identification of fiscal capacity and decision-making constraints that county welfare agencies contend with. Although fiscal capacity and decision making are intertwined the review is categorized by research emphasis. The first category underscores procedural and structural aspects of decision making. The next group of research focuses on jurisdictional or institutional distinctions that influence fiscal processes. The third category considers capacity variances which may be affected by process and jurisdiction. The emphasis of the fourth category are strategic approaches to fiscal decision making. Response to fiscal stress incorporates elements of the previous categories and highlights the contextual aspects that initiate action. Finally, research synthesizing each of the former categories with issues specific to CWS was reviewed.

Budgetary Process Focused Research

Fiscal rules are a control mechanism driven by institutional arrangements. Lowi (1972) described fiscal rules as the “application of controls of conduct.” Rules imposed are applied vertically and horizontally among jurisdictions and may be unique to specific institutional contexts. Fatas and Mihov (2006) studied the effect of fiscal rules on policy outcomes. The study focused on the relationship between fiscal constraints on discretionary decision making and on the ability of governments to react to changing

economic conditions. The researchers conducted a macro level comparison among states focusing on short-term decision-making processes rather than long term fiscal sustainability objectives. The study findings demonstrated that strict budgetary restrictions lead to lower discretion in conducting fiscal policy. The findings also showed that fiscal restrictions make it harder to be responsive in facilitating stability in fiscal planning.

Public choice is carried out through the exercise of specific processes or procedures as the primary mechanism for implementing policy objectives. Public agency budgeting is viewed as representing policy decisions and a guideline to policy implementation. (Rubin, 1988; Shafritz & Russell, 2005; Hondale, Costs & Cigler, 2004) Factors influencing policy and resulting budgets are multi-dimensional. While budget processes are understood in linear term, external factors that drive policy and budget outcomes are not. Willoughby describes the influence of these factors as creating multi-rationality that recognizes distinctions in the approach and the contextual characteristics that drive budget priorities. (Khan & Hildreth, Eds., 2002)

The ability to balance the control of spending with adequate provision of service is the measure of efficiency of fiscal management. Ljungman (2009) conducted a study comparing how institutional structure and external factors influence the rationale behind budget approaches. In this regard institutional variances are important in determining the approach to developing strategies to best meet policy objectives and priorities. Ljungman compared top down and bottom-up budgeting processes. A top-down budget process is

characterized by setting an aggregate amount of funds for the entire budget and subsequently developing spending priorities among the various budget categories.

Exceeding the set expenditure limit in a top-down budget structure is not permitted. A bottom-up budget process is not initiated with a specific spending cap. Spending decisions are made incrementally from one category to the next, with the sum of all expenditure categories resulting in the final budget. Ljungman's findings demonstrated a strong correlation between how a budget process is structured and the size of the budget. This suggests that fiscal policies are impacted by how the budget process is organized and the sequence that decisions are made about the size and composition of the budget. Top-down budgeting makes it possible to strengthen fiscal control and align the budget with priorities.

Budget outcomes and size are among the components linked with fiscal efficiency. Ehrhart et al. (2000) considered how institutional structures influences the sequential aspects of budgeting and the impact on the overall size of budgets by comparing top down and bottom-up processes. The Ehrhardt study focused on the sequence in which decisions are taken predicting that a top-down budget process would result in a large budget, and that a bottom-up process would result in greater spending than the former. Variables included in the analysis of the study included the extent of available information and the number of spending categories. The findings of the Erhardt study expand on the Ljungman study by illustrating that the organization itself and how it is structured is determinate of how the budget process and priorities evolve. These organizational specific characteristics contribute to the complexity of fiscal decision

making. Spending categories increase with the size of the organization which contributes to fiscal prioritization conflicts.

Jurisdictional-Institutional Comparative Research

The ability to efficiently meet public service demands goes hand in hand with economic conditions that bureaucratic systems are operating within. Conditions driving how administrators act and respond are static. Institutions have evolved over time in accordance with changing environmental factors. (North, 1996) Institutions are social constructs that provide a framework that drive how administrative discretion is exercised in response to continuously changing service preferences. In this regard incrementalism is inherent within bureaucratic institutions. North (1996) asserted that the incremental nature of bureaucratic constructs alters neo classic theories of rational instrumentality in that institution and the politicized fiscal processes act a constraint to efficiency.

Olson (1969) analyzed functional units of governments to determine whether there is an optimal pattern of jurisdictional optimality. The Olson study sought to ascertain principles that ought to guide the development of a rational pattern of jurisdictional responsibility and the necessary conditions for allocative efficiency. Olson considered whether centralized fiscal authority would be more optimal than decentralized authority among lower-level jurisdictions in achieving allocative efficiency. Demographic variance or specific characteristics within a jurisdiction can dictate specific types of service demands. Olson argued that these types of differences define jurisdictional boundaries for the provision of collective goods and that jurisdictional institutions are “a necessary condition for Pareto optimal” service provision. (Olson,

1969) Furthermore, Olson asserted that because jurisdictional variances in capacity to provide services may facilitate a Tiebout effect, a larger institutional body is necessary to subsidize a lower-level governmental body to ensure Pareto optimal service provision.

Choice with an institutional emphasis is concerned with specific structural attributes that influence fiscal issues and responses. These attributes are typically jurisdictional, regional, or hierarchical variances that distinguish horizontal and vertical authority and interrelationships. Bureaucratic institutions are the conduits for the exercise of authority which could act independently or in coordination with other administrative structures. Structural variances among bureaucratic institutions shape jurisdictional fiscal capacity and the degree of democratic participation setting the agenda for service preferences. Borge et al. (2007) investigated this dynamic. The Borge study assessed the relationship between efficiency and three elements that drive policy. These elements were (a) political and budgetary institutions, (b) fiscal capacity, and (c) democratic participation. Their research findings found a correlation between the degree of political fragmentation and fiscal capacity with inefficiency. Just as political dynamics shape policy, the Borge study findings suggest that institutional characteristics are significant to policy outcomes.

Linkage between institutional structure and the effect on decision making processes and outcomes have led to varying types of structural comparisons. One dichotomy compares institutional jurisdiction vertically or horizontally (i.e., state vs. federal, or county vs. city). Another compares centralized and decentralized authority. Does one or the other achieve greater efficiency in service provision? Voter preference is

a frequent measure of efficiency. According to Arrow (1963) social choice is either political or economic. The decision-making mechanism for political choice is voting. Voting provides a method for aggregating and ordering individual social utility functions. Turnbull and Geon (2006) analyzed the degree to which preferences are satisfied in accordance with local government structure (cities and counties). Their research findings did not demonstrate that counties are more efficient than cities or vice versa. Instead, the structures that govern local authority (charter vs. general law) were noted to restrict the degree of local discretion in decision making processes. This kind of external constraint was a key factor in how well the sample cities and counties were able to meet service preferences.

Limits to local discretion as noted in the Turnbull and Geon study provides indication that external constraints effects local capacity to meet service preferences. Furthermore, external constraints that are structural in nature can take on a variety of forms. The elasticity of local government capacity to generate revenues is one example of an externally imposed structural constraint. Cities have greater discretion in generating tax revenues than counties. Structural constraints on revenue capacity can create a greater degree of fiscal stress on counties than cities.

Adams (2009) compared county level response to cyclical and structural conditions that contribute to fiscal stress, identifying three structural factors limiting discretion. Excluding intergovernmental transfers, counties are heavily reliant on a mix of property and sales tax revenues. Restrictions limiting increases on tax rates, such as Oregon's Measures 5 and 50 (Adams, 2009) and proposition 13 in California exacerbate

revenue shortfalls particularly when in tandem with fast and sharply declining property values. Changes in revenue sharing between state and local government is another structural factor effecting discretion. Primarily in cases where the expiration of revenue sharing agreements results in the loss of a revenue source, with no new revenue source to replace it. Changes in the economic base of a local jurisdiction can create long term fiscal stress if widespread loss of a dominating industry is not succeeded by another.

Adams distinguished between cyclical and structural fiscal stress, as being caused by external or internal factor. (Adams 2009, p. 2) Cyclical fluctuations in the economy are caused by external factors that are not specific to a local jurisdiction and local control and may be only have short term effects. By virtue of county and city structural governance, the fiscal stress resulting from structural limitations have longer term effects. Structural limitations on how local government ability to generate revenues inhibits administrative choice. If there are insufficient reserve funds, local governments are frequently forced to raise fees or make cuts in both spending and service provision. The centralization or decentralization of fiscal authority is essentially an efficiency issue.

Structural change and the implementation of rules is a typical approach to influencing efficiency in decision making processes. Jurisdictional differences provide context to determining decision making processes and priorities. Hooghe and Marks (2009) offered an alternate perspective on the relationship between institutional structure and efficiency. Their study considered how efficiency shapes national government structure and sub national units that are below it. Hooghe and Marks developed a model to compare commonalities of centralized and decentralized institutions. The premise of

their comparison is that efficiency is the impetus for how governmental institutions are developed, and that national and sub national units of government meet different needs and therefore will have different efficiency parameters.

The distinctions between national and subnational governmental units made by Hooghe and Marks suggest that the intergovernmental relationships have impact on decision making structures in ways peculiar to each governmental layer. Fiscal efficiency optimality is a predominant concern that has driven fiscal reform efforts at federal, state and local levels of government. Reform efforts seek to redefine and redirect responsibility and accountability that are framed in terms federalism and devolution. Hooghe notes that coordination among governmental layers must contend with competing inter and intra jurisdictional interests. These differences in tandem with jurisdictional size and political factors affect decision making and efficiency outcomes.

Simon (1946) defined the rationality of decision-making behavior as the “selection of preferred behavior alternatives in terms of some system of values whereby the consequences of behavior can be evaluated.” Simon noted that the criterion of efficiency as the outcome of decision-making processes differ between private and public organization. Likewise, one can posit that the criterion that shapes decision making processes and efficiency optimality will differ inter and intra jurisdictionally. Oates (2005) compared national federal systems as a method to examine second generation federalism theories, where there is an emphasis on understanding how various aspects within decentralized units (i.e., imperfect information, political pressure) shape decision

making. Oates concluded that rules that conjoin governmental jurisdictions and political processes are the primary drivers influencing decision making behavior.

Fiscal Capacity Focused Research

Chervin (2007) noted three fiscal conditions that directly correlate with the measures contributing to budgeting and fiscal decision-making processes. Chervin distinguished these as effort, capacity, and need within a given local government jurisdiction. Effort is the extent to which a local government imposes taxes and utilizes available revenue sources. Fiscal capacity is the extent to which local governments are able to raise adequate revenues to respond to specific needs. Needs are the service demands specific to a particular jurisdiction. What is of prominence in Chervin's comparison is that individual jurisdictions (i.e., counties and cities) are not easily comparable. Variances attributable to affluence, service preference and other demographic characteristics are drivers to what differentiates local policies and fiscal priorities from other localities and jurisdictional levels.

The ad hoc or incremental nature of decision making in the public sector is often considered a hallmark of inefficiency and lack of effectiveness, and yet, this characteristic in public sector management persists. Schick (2009) analyzed how incrementalism in fiscal decision making among national governments has been shaped by estimates of fiscal space. Schick defined fiscal space as the way governments allocate resources in response to the estimated gap between revenues and expenditures. Schick asserted that for affluent countries, fiscal space is the increment available to expand

programs. His study considered methods and factors effective in protecting and enlarging fiscal space.

Schick noted that public expenditures do not readily respond to political conditions or changing priorities and that fiscal space is restricted by the amount of risk the government carries. Typical methods of address fiscal gaps have been taxation, cutbacks or borrowing. Often it may take a combination of these methods to rectify deficits. Schick noted that rules are another means through which fiscal space can be contained. Various factors affect fiscal space and the efficacy of the methods employed to control it such as incongruent expenditure and revenue elasticity and shifts in obligations. Schick advocated for the use of a medium-term expenditure framework (MTEF), which is a process that first estimates the amount of fiscal space that needs to be dealt with, places constraints on allocations, and examines budget requests in terms of how much can be allocated within the means of available resources. This process may require the use of various measures used in conjunction with one another. In times of deficits, MTEF might employ the reduction of tax subsidies, using performance measures to determine how to reallocate funds to more efficient uses, privatization of activities, in addition to spending cuts. In time of surplus measures to avoid future deficits might include constraint in increasing budgets, and adhering to planned expenditures contained in the budget, avoiding unplanned expenses. MTEF reflects traditional (cutbacks) and new public management methods (privatization and use of performance measures) to prioritize use of available funds. Schick's findings suggest that MTEF accommodates a variety of scenarios, namely the allocation of positive space or negative space.

Hall (2008) expands on the government capacity literature, which argues that capacity must be defined according to the object of its intent and is comprised of multiple dimensions. Fiscal federalism, the flow of federal grants into county geographical areas is one component of local government capacity. Other influences that affect capacity include administrative and political characteristics that act as control mechanisms. Hall notes that internal capacity does not operate in isolation but is influenced by a variety of external conditions locally, and at the state and national levels. Changes in political representation can have cumulative effect on priorities.

Hall notes that rational self-interests of political actors favor categorical grants because they enable elected representatives to focus on benefits suited to specific constituencies. Local governments must be cognizant of internal capacity conflicts that result from sustaining the ability to match federal funds and sustain the ability meet other local policy commitments. The dynamic described in the Hall study is relevant and illustrative of the fiscal capacity problems faced by California county welfare agencies. Hall's research findings highlight the positive relationship between local level capacity building efforts and political interests that favor the services supported by categorical funding. The resistance to changing the open-ended nature of Title IV-E funding for CWS reflects this assertion.

As mentioned previously, the budget process may be guided by a particular management method. Hou and Moynihan (2007) developed a framework developed from the Government Performance Project. The Government Performance Project model argues that fundamental management systems are not only amenable to comparison

across states but can provide critical components of the capacity that is basic to longer term effectiveness and performance. The goal of the Hou study was to examine the extent to which capacity facilitates performance in fiscal management. The Government Performance Project identified five management systems that shape the approach to capacity building. Hou categorized these systems as Financial, Capital, Human Resource, Information Technology, and Managing for Results. The measure of capacity building in the Hou study was the ability to build and maintain a reserve fund (rainy day fund).

Hou (2007) noted that fiscal capacity is driven by two approaches. Administrative capacity is driven and bound by rules that govern action. Governance capacity is also bound by rules but considers other structural aspects that include the role of political processes that bind interests and actions at varying levels. The results of this study found a strong relationship between rules and increased capacity. Rules restricting discretion of administrators and political actors helped facilitate greater government capacity. Conversely, increased discretion encouraged spending and therefore decreased capacity with lower rainy day fund balances.

Strategy Based Decision Making

Strategy based decision processes are concerned with examining the methods employed to maximize resources to meet policy objectives. The rationale for methods used can be unique to a specific institutional structure or jurisdictional type. The theories supporting research with an emphasis on strategy are embedded in game theories. Kelly (2003) defined game theory as the science of strategic decision making and a tool for understanding relationships in the course of competition and cooperation. Strategic

options may be influenced or limited by jurisdictional rules. Rules are ultimately reflective of policy choices pursuant to political processes.

Gordon, et al. (2007) proposed a framework considering both state and local finance to evaluate fiscal policy making in California. The objective of the Gordon study was to gain insight on the influence of fiscal capacity on service provision choices. Gordon et al. notes that most studies have focused primarily on the amount of revenues necessary to meet desired policy outcomes. Service provision is directly a product of fiscal capacity among multiple jurisdictional levels.

The study findings showed that comparatively California shares many general characteristics like other U.S. states in terms of the components that comprise revenue make up. Conversely, California spending reflects policy choices unique to the state in terms of funding services that exceed federal mandated service provision levels. Differences in policy choices made at different jurisdictional levels create policy implementation dysfunction.

The Gordon research team noted that the tendency to focus solely on higher level jurisdictions (federal and state) tends to obscure the other jurisdictional layers that are integral to service delivery provision. This is important in terms of the influence and impact on policy-based rules that drive and limit policy implementation and service provision outcomes, particularly at the county level.

Krane (2008) conducted an analysis of the county adoption of performance-based management strategies (managing for results [MFR]). This study was concerned with how well adopted management strategies helped counties overcome structural

fragmentation among departments comprising county government. The Krane highlighted dysfunction in policy implementation that is attributed to structural fragmentation among layers within a jurisdictional type. Krane found that the use of MFR was useful in the development of shared expectations and objectives, as well as the development of performance measures. The use of MFR facilitated joint action and tools that enhanced management capacity. Krane concluded that the application of MFR methods were useful to helping departments within a county structure become better coordinated and effective.

Resource allocation and priority development processes can be strategic exercise. To gain better insight on how resource allocation prioritization carried out and done in practice Phillips and Bana e Costa (2005) conducted a study using multicriteria decision analysis. This study looked at methods employed to balance conflicting elements related to allocating resources that included balancing costs, benefits, risks and gaining commitment from stakeholders. A key element in the use of the multicriteria decision analysis is fostering transparency and trust in group decision making processes. Philips found that the use of multicriteria decision analysis had a positive influence on the development of fiscal prioritization. The use of decision conferencing both vertically and horizontally helped make the prioritization process open through the inclusion of all relevant stakeholders synthesizing priorities among various organizational units which minimized competitive and protectionist tendencies.

Reform is another strategic method to facilitate increased efficiency. Brodtkin (2007) assessed New Public Management on bureaucratic discretion by providing a

historical overview of political management reformism. Brodtkin asserted that the problems associated with bureaucratic discretion in the old public management model are likely to be unresolved under new public management-based reform efforts. Bureaucratic discretion is inherent in policy implementation. Old public management strategies are characterized by centralized control and standardization in policy implementation. Conversely NPM strategy is contrasted by decentralization, regulatory control, and privatization. NPM is essentially a strategic method to facilitate administrative and fiscal efficiency. Brodtkin describes the reform effort as a “set of strategic choices” that are “fundamentally a political problem”. This stems from policies being the outcome of the political process, which frequently contain conflicting goals. While bureaucracies are not the source of these policies, they are “the first to be blamed for poor outcomes.” (Brodtkin, 2007)

Ni and Zhao (2008) refer to reform efforts driven by the new public management paradigm as a strategic method to incorporate market mechanisms to public service delivery. Central to Ni and Zhao’s study was analysis of the decision-making process regarding the selection of specific tools to provide public services. The researchers developed a two-stage service provision choice model as a framework to explain the production and sector choices of public services by political economic environment, organizational capacity, service market conditions, and nature of service. The production choice is driven by cost efficiency consideration. The sector choice is a political decision that may be influenced by the nature of the service to be provided.

Ni and Zhao's evaluation of the models compared operation and financial data of Georgia county governments during the 2000-2006 using the framework to analyze public service outsourcing decisions. The researchers focused on the effect of fiscal conditions and political interests. The study findings showed that the decision to outsource service provision is associated with fiscal capacity and the degree to which local control is emphasized. Other influential factors included ideological influences regarding downsizing government. The results indicated that the effects of fiscal conditions and political interests vary in different stages of the outsourcing decision. Organizational capacity is more important to produce choice than for the sector choice. In the production choice, decision making is influenced by economic factors with the objective to gain cost efficiency.

Policy tools in the form of allocation and distribution methodology can be a strategic mechanism to achieve various objectives. One objective is to improve control of how fiscal resources are distributed. Another objective is to provide greater local discretion in how resources are distributed at the local level. Handley (2008) assessed how political and administrative conflict affects federal-local relationships, looking at the federal grants in aid system to highlight this dynamic. Handley analyzed the Community Development Block Grant, which consolidated six categorical aid programs.

Handley's analysis showed that local jurisdictions were able to gain discretion on aligning the use of Community Development Block Grant funds with local objectives. However, the activities and use of funds reported were frequently not congruent with the federal program guidelines. The key lesson learned was that balancing federal and local

roles is complex. Limitations to overall local capacity made it difficult for local jurisdictions to develop data collecting systems necessary to ensure local alignment with federal guidelines. Incongruence with federal performance measures could have serious consequences in the form of funding sanctions.

Three key components that influence strategic measures are shrinking tax revenues, reductions in state or federal aid, and rising costs (Sun, 2010). Sun surveyed California counties to compare the how each of these components contribute to reduced fiscal capacity and how counties respond. Many of the strategies reported by the counties were traditional control measures that include imposing restrictions on hiring, reducing services and tightening spending. Contracting out service provision which is a strategy linked with the NPM was another method employed by counties as a cost saving measure. What is notable in the findings of the Sun study is that county response is a combination of traditional and more contemporary methods to effectively maneuver through a myriad of changing economic conditions.

Response to Fiscal Distress and Constraints

Bounded rationality is usually associated with limitation to all that could possibly be known to guide decision making. Rules are significant to constraining the way public managers can respond to changing conditions. The research focusing on how public managers respond to fiscal stress illustrates the complexity and incremental approach in managing public sector institutions. Problems, policies, and politics are catalysts to eliciting response from public managers (Wishy, 2008). Inter-municipal cooperation is an example of a policy agenda to address fiscal distress. Wishy examined the relationship

between fiscal stress and local inter-governmental cooperation using the garbage can approach. This study measured fiscal stress by bond rating, real property value, and tax & debt limit exhaustion data. Inter-municipal cooperation was measured by county and city budget messages (data mining through document review).

Wishy (2008) compared local government response to fiscal stress in the form of inter-municipal cooperation. The garbage can model, or structured incrementalism is applied to analyze cooperative decision making and agenda setting. The hypothesis of the study is that cities will consider alternative methods, such as inter-jurisdictional partnerships to keep service costs down in times of significant fiscal constraint. The Wishy study cross tabulated outputs for fiscal distress indicators to determine linkage with increased cooperation. The study findings did not demonstrate a significant relationship between the distress measures and inter-municipal cooperation. The researchers suggested that while their findings did not explain fiscal distress characteristics that facilitate cooperation, there may be other external influences such as state institutions, whose policies are driving local level cooperation.

Fiscal Decision Making in Child Welfare Services

The research concerning child welfare financing synthesizes the themes previously discussed regarding procedural, jurisdictional, capacity and strategy related approaches to assessing the challenges to providing services. The complexity of child welfare finance makes it difficult to understand structural aspects without also highlighting the connection and conflict with jurisdictional distinctions, capacity variances and strategic methodology. It is important to note, that while there is a single

component of capped federal funding (Title IV-B), the other statutory provision for child welfare is open ended entitlement (Title IV-E). To complicate things further, the allowable activities that funding can be used for frequently overlap. As if to give credence to the complex nature of child welfare finance much of the literature includes extensive background on the disparate interpretation of federal guidelines and implementation of CWS across the 58 states.

An Urban Institute study assessed how well states were able to provide CWS during the recessionary period of 1998 through 2001 (Scarcella et al., 2004). The research team anticipated that caseload variance would be a significant driver of expenditure changes. A survey instrument was used to collect caseload, funding, and expenditure data from all 58 state welfare directors. Analysis of the data showed that caseload variance was not a significant factor affecting spending. The Scarcella research team found that states relied on other federal fund sources to offset reductions in federal fund sources dedicated to child welfare. Additionally, the researchers found that both federal and state specific changes in policy and priorities were most influential to how well states were able to provide services.

The survey data showed an inverse dynamic between funding and spending. The aggregate overall spending across the states increased, while federal and state funding dedicated to child welfare decreased. (Scarcella et al., 2004) A key finding was that non-dedicated fund sources are integral to supporting CWS. Continued changes in federal and state policies and priorities will only increase fiscal uncertainty and further constrain capacity. The Scarcella study only assessed the reasons attributing to fiscal constraints

and how state welfare agencies are relying on other non-dedicated fund sources to provide CWS. This suggests that further study be conducted on strategies employed to leverage existing resources and the impact on local jurisdictions responsible for directly implementing child welfare programs.

Mangold and Cerulli (2009) conducted similar research analyzing county adoption of funding strategies to manage CWS. The approach of the Mangold study is based in analysis of the legislative history governing child welfare and its funding structure. Mangold conducted a historical analysis of child welfare legislation followed with state and local jurisdiction caseload and expenditure data. Based on their findings, Mangold asserts that the historical evidence shows that legislation for CWS has favored funding post abuse response rather than preventative measures. Furthermore, their analysis of the legislative history does not indicate that current laws guarantee the provision of benefits and services to children but is a contract between the federal government and the states guaranteeing reimbursement for state costs associated with foster care and adoptions placement.

The Mangold findings challenge the notion that state and local jurisdictions are unable to be creative within the current child welfare funding structure. The survey data shows that states are using other fund sources that are not dedicated to child welfare in lieu of Title IV-E funding that are unrelated to child welfare mandates. It is suggested that because there is a lack of uniformity in how states and individual counties implement child welfare and cost allocate expenditures it would be difficult to accurately compare fiscal efficiency among states and counties. The researchers do not dispute that service

provision problems exist, but that there is a significant incongruence between the statutory (substantive) and fiscal structures governing CWS.

Similar to the previous studies, the study by Schwartz and Lemly (2011) were concerned with capacity and flexibility afforded by the current funding structure for child welfare under Title IV-E. This study is an analysis of the Title IV-E waiver questioning the tradeoff in limiting the amount of federal funds that are allocated with increased flexibility to how funds are spent. Schwartz offers a counter perspective to Mangold by arguing that the transformation of entitlement to a block grant can be restrictive to innovation if caseloads increase and costs exceed surpluses and appropriated funding. Another contrast to Mangold is the perspective regarding to how Title IV-E assigns the entitlement of funds. Mangold suggests that Title IV-E is a contractual agreement to reimburse states and counties for administrative costs. Schwartz asserted that the individuals receiving CWS are entitled to benefits and services authorized under Title IV-E (Schwartz, 20011, p. 562). Without the status of entitlement “individuals lose the ability to enforce the right to benefits and services under federal law” (Schwartz, 2011, p. 562).

The sentiment of the Schwartz study insinuates that a capped allocation will result in diminished capacity to provide services. Schwartz criticized the outcome reporting of states and counties participating in the Title IV-E Waiver demonstration as inaccurately positive. Meaning that while reported outcome information appears to be meeting objectives, the true measure of whether children are receiving the appropriate level of care and services is unclear. The Schwartz researchers cite California data that show

declining foster care caseloads among Waiver participating counties and non-waiver participating counties (Schwartz, p. 559). Schwartz argued that service outcomes of Title IV-E Waiver participants need to be compared to non-waiver participants.

Summary and Conclusion

Public institutions are not incidental. Institutions are manifest of constitutional and legislative consent. (Buchanan, J.& Tullock, G., 1962) The selected studies on budget process demonstrate that fiscal decision making is conducted within rules-based parameters (Fatas & Mihov, 2006). This reflects the deliberation and consciousness that is characteristic of a choice-based paradigm. Authority and discretion vary at different jurisdictional levels. These variances impact budget methods employed, budget size, and discretionary flexibility (Erhardt et al., 2000; Ljungman, 2009).

Jurisdictional and institutional differences are important. Vertical authority arrangements and horizontal relationships across different institutional contexts affect how public managers can respond to changing economic conditions. (Turnbill & Geon, 2006) Institutions are inherently incremental and evolving in order to conform to changing preferences and priorities. (Hooghe & Marks, 2009; North, 1992; Olson, 1969) Each jurisdictional level is subject to external conditions that create fiscal constraint. Although jurisdictional authority is typically understood as structurally top down, the relationship between federal, state and local institutions in practice is not necessarily linear. It is a symbiotic relationship in which different jurisdictions at each level meet different needs which suggests a necessary interdependency.

A key point in the capacity research is that jurisdictional differences matter. Discretion and authority diminish from one level of government to the next one below it. This is particularly problematic for counties, which are extensions of the state. Limits to the extent that counties increase fiscal capacity are limited by county taxing authority, demographic characteristics and other external conditions. (Hall, 2008; Schick, 2009) Counties are at the mercy of changing priorities and fiscal conditions at the upper levels of government, while still being held accountable to supporting federal and state objectives that often conflict with one another.

A commonality among the selected literature emphasizing strategic decision making is that the different levels of government have shared fiscal responsibility to implement policy and provide service. This relationship is simultaneously cooperative and competitive as each jurisdiction seeks to maximize resources to further its own interests. The application of specific frameworks or management processes assessed in the research reinforces the notion that bureaucratic efficiency can be solved by administrative means. Administrative solutions may not adequately address political and policy failures. These dimensions of external influences to counties are beyond the scope of local level administrative power and authority.

This study contributes to the body of work addressing local government response to fiscal stress and capacity to sustain departmental service objectives. Additionally, the context of the study highlights the effect of social welfare policies on the dynamics between centralized and decentralized government units and how this has significant effect on local agency fiscal management and capacity expansion or retraction. (Posner,

2007) The next chapter of this proposal details the rationale for the methods that will be employed to evaluate the relationship between fiscal capacity and decision-making constraints with the implementation of policy tools like the Title IV-E Waiver.

Chapter 3: Research Method

Introduction

This chapter details the research structure for the study. This section includes an overview of the purpose of the study and problem explored. I discuss why a qualitative approach is best suited to this inquiry on the Title IV-E waiver. This description includes the procedures for data collection, analysis of the data, and data validity and how these relate to the research questions.

A case study approach is the ideal mechanism to compare county experiences with and without the Title IV-E waiver. According to Yin (2009), a case study is an appropriate research approach when “how or why is being asked about a contemporary set event” and/or the researcher has no control over what is being studied. The case study approach is suited to this research because I am seeking to understand how county fiscal capacity and decision making are affected by the waiver. I am an observer or reviewer of what is happening and cannot control or influence county decision making and processes. The Title IV-E waiver is not something that happened in the past or is a proposal for the future; it is being implemented presently.

Background of the Study

The open-ended nature of social service entitlement programs can be problematic in times of severe revenue shortfalls and increasing budget constraints. Title IV-E of the Social Security Act authorizes uncapped federal funds for foster care and, to a limited degree, other CWS. Allocating federal funds through a block grant is an example of a policy tool used to control spending and facilitate efficiency. The federal government has

authorized a waiver demonstration program for Title IV-E that caps federal funds but allows participant states and counties to use the funding for a broader array of CWS that would not otherwise be supported by these funds. In this study, I examined the experiences of California counties participating in the Title IV-E waiver and how the use of this policy tool is advancing child welfare system improvements and improving fiscal capacity.

Participation in the Title IV-E waiver is voluntary and the disadvantages to giving up open-ended entitlement funding are more obvious than the advantages to increased local level discretion that may increase fiscal uncertainty. The waiver allows a maximum of 10 states to participate in the waiver pilot. California received federal approval to participate on March 31, 2006, which had an initial sunset date of June 2012. Implementation of the waiver program commenced in the 2007–2008 fiscal year. The waiver program was reauthorized to extend beyond the initial sunset date in 2011 and 2014. At the time of the initial 5-year implementation, only two of 58 California counties participated in the waiver pilot. Information is available in the form of mandated annual reporting from waiver participants; however, analysis of the relationship among reported program outcomes, service delivery, and fiscal policies affecting fiscal capacity is usually an internal departmental exercise, not widely available publicly.

Purpose of the Study

The purpose of this study was to examine the usefulness of policy tools to facilitate increased fiscal capacity and decision-making flexibility. Policy tools are a strategic means of tackling complex problems premised within a rational choice

framework. Policy tools have practical applications to budget decision-making processes within local government, specifically at the departmental level in counties. Salamon (2002) regarded policy tools as a mechanism for government action and identified government grants in aid as a specific type of tool. Salamon asserted that program implementation may require more than one of the many types of tools available. There is extensive research on theoretical applications at the federal and state levels of government. Less analysis has been done at the county level. Counties are unique because they are considered extensions of the state and, in comparison to municipalities, have limitations in generating revenue. This constraint has implications on the ability of county officials to act in the best interest of their local constituencies.

Research Rationale

Creswell (2007) described case study research as occurring within a bounded system through which the collection of data comes from multiple types of sources. This study is specific to California county welfare agencies. The narrow scope of what and who are being studied meets the criteria of a bounded system. The cases will be comprised of two California counties participating in the Title IV-E waiver and two counties with closely comparable foster care caseloads not participating in the waiver. This comparative approach is between waiver and nonwaiver counties.

According to Yin (2009), a case study is an appropriate research approach when *how or why is being asked about a contemporary set event* and/or the researcher has no control over what is being studied. The case study approach is suited to this research because I am seeking to understand how county decision making and service delivery are

affected by the waiver. I am an observer or reviewer of what is happening and cannot control or influence county decision making and processes. The Title IV-E waiver is not something that happened in the past or is a proposal for the future; it is being implemented presently.

Creswell (2007) noted five types of research methods: (a) narrative, (b) phenomenology, (c) grounded theory, (d) ethnography, and (e) case study. Narrative and phenomenological research are focused on individual experiences or compare experiences that are subjective and specific to an individual or group of individuals. (Creswell, 2007; Gerring, 2007; Yin, 2009) The objective of the grounded theory approach is to derive new theories from the research data, and ethnographies compare shared patterns of groups (Creswell, 2007). These generic definitions of the first four approaches lend themselves to some degree to studying bureaucracies. Bureaucratic institutions can be individualized by being categorized by type or specific service being administered. Bureaucratic institutions similar in scope and objective are likely to exhibit shared patterns. A new theory may develop as a study is being conducted. However, the objectives of these methods do not fit the purpose of this study and were therefore ruled out.

A quantitative study is experimental in nature, and a problem is studied in a controlled artificial environment (Gerring, 2007). This study does not seek to make inferences, but to understand what is actually happening within county welfare agencies in real time and in their natural environment (Creswell, 2007; Gerring, 2007; Yin, 2009). Therefore, a quantitative approach was ruled out for this study.

Research Design

In examining the usefulness of block grant funding structures, this study addressed several questions: Do policy tools such as the Title IV-E waiver enable greater discretion and flexibility for county welfare agencies? Have waiver counties experienced increased fiscal capacity? Have waiver counties experienced greater flexibility to adjust to other factors effecting fiscal capacity? Are waiver counties able to increase prevention and permanency activities?

To answer these questions, I used a comparative case study approach because the experiences of the different counties (waiver and nonwaiver) were explored. The use of and absence of the selected policy tool (Title IV-E waiver) among the selected cases were compared to assess differences in discretionary capacities between participant and nonparticipant counties. Of California's 58 counties, only two are participating in the waiver program. These counties are Los Angeles and Alameda counties, which comprised two of the cases. The other two cases were nonparticipant counties most comparable in foster care caseload to the participant counties. Sacramento County is most comparable in foster care caseload to Alameda County. Los Angeles County's caseload is so large it exceeds the combined caseload of the next three largest comparable counties, which are San Diego, San Bernardino, and Riverside Counties. Because this is an exploratory study, only one of the three counties was used as a comparison to Los Angeles. San Diego County is the fourth case in the study because San Diego has the second largest foster care caseload behind Los Angeles.

The study was based primarily on analysis of a variety of secondary aggregated data. Data collection came from a variety of documents from county, state, and other sources relevant to the research. These documents are likewise specific to the scope of Title IV-E funded services or relevant to the context of county welfare agencies and CWS. The document analysis was conducted in phases linked to the questions the study sought to answer. A qualitative software program, specifically Atlas.ti, was used to enable linking relevant narrative data with the research questions. Atlas.ti enabled reviewing documents within the program so that I could code relevant data used to triangulate supporting data with theoretical concepts and the questions that comprise the study.

Role of the Researcher

My objective was to bring micro-level understanding on how the use of policy tools (Title IV-E waiver) influence fiscal priorities and decision making in county welfare agencies. As the researcher, I collected and reviewed a variety of documents from multiple jurisdictional sources (federal, state, and county agencies). This included identifying documents, reports, and available statistical data relevant to the issue being studied. I ensured that all measures necessary to meet ethical and academic standards required were followed.

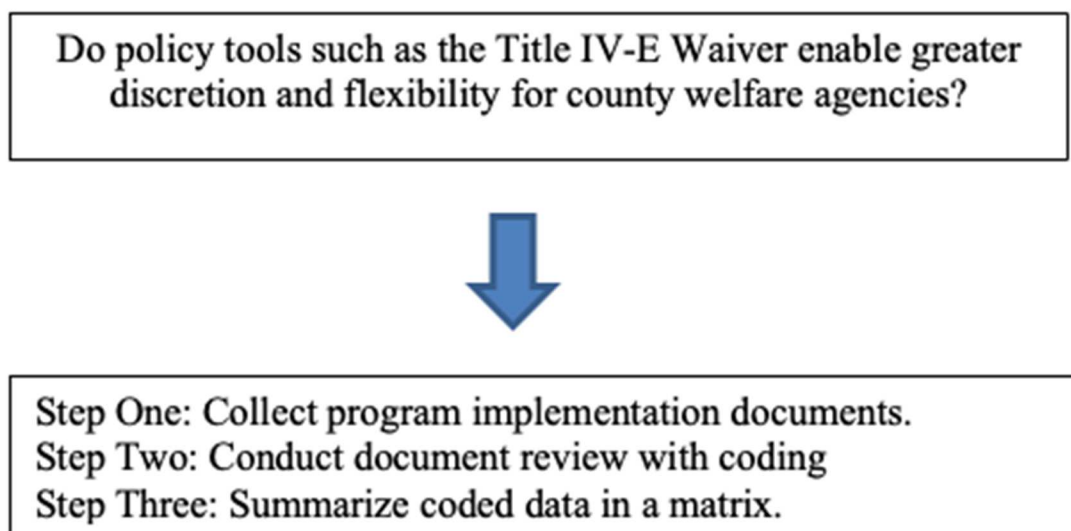
Methodology

Data collection occurred in phases in accordance with each of the research questions. Phase 1 of this study addressed the first question: Do policy tools such as the Title IV-E waiver enable greater discretion and flexibility for county welfare agencies?

The first step entailed collecting program implementation reports and assessment documents (see Appendix D). Specific documents reviewed included county Self-Improvement Plans (SIPs), county Performance Improvement Plans (PIPs), and state Title IV-B plans (see Appendix C). These documents identify county program goals, changes and new initiatives implemented to facilitate desired child welfare policy outcomes. The Atlas.ti program was used to code reported data that demonstrate changes in decision-making capacity. New initiatives were equated with increased discretion. Reductions in services were equated with decreased discretion. Instances where service implementation is unchanged were coded as neutral. Coded data were summarized in a matrix (see Appendix E).

Figure 1

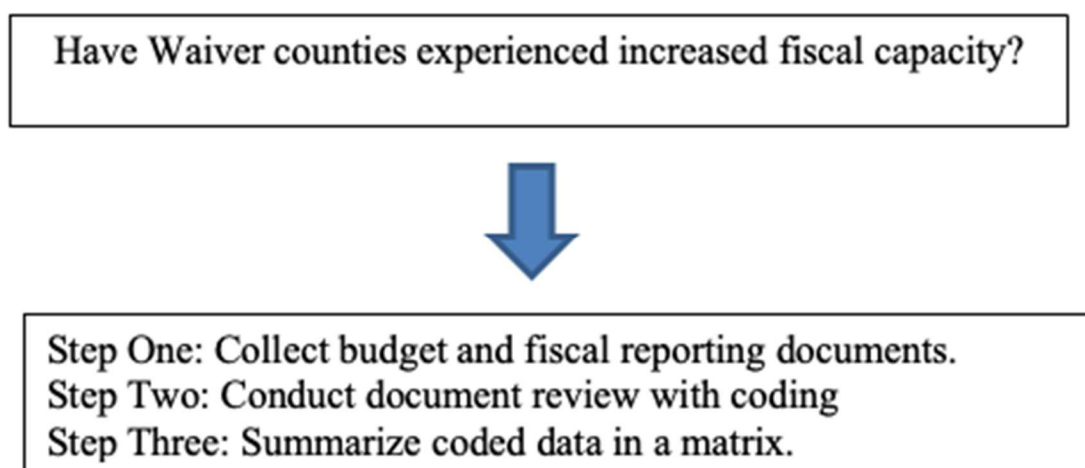
Phase 1



Phase 2 of this study addressed the second research question: Have waiver counties experienced increased fiscal capacity? The first step of Phase 2 consisted of reviewing prewaiver and postwaiver county budget documents, and fiscal information reported to the state will provide data to measure changes in fiscal capacity (see Appendix D). The Atlas.ti program was used to code reported data that demonstrate changes in fiscal capacity. Projected and actual data reporting decreases in revenue or allocated funding were equated with decreased fiscal capacity. Similar data reporting revenue or allocation increases were equated with increased fiscal capacity. Status quo revenues and allocations were equated as neutral. Coded data were summarized in a matrix (see Appendix E).

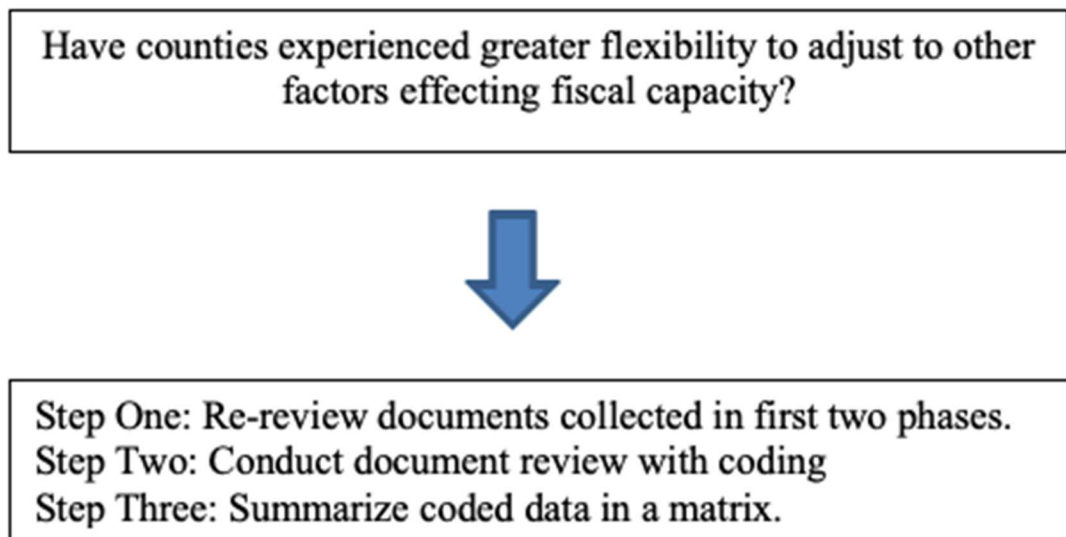
Figure 2

Phase 2

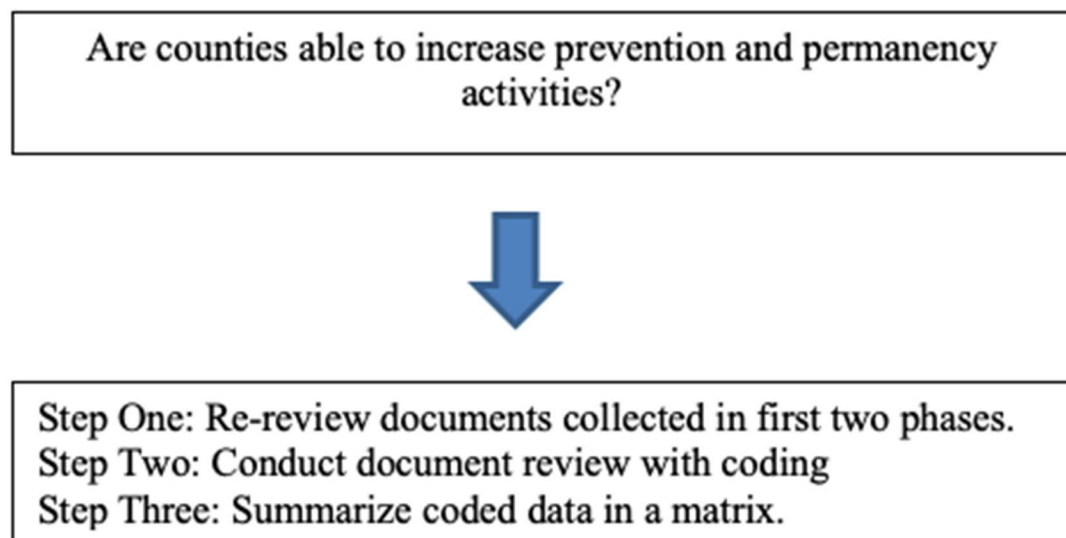


Fiscal capacity is the extent to which local governments are able to raise adequate revenues to respond to specific needs.

The third phase of the study (See Appendix D) addressed the third research question which asked, “Have Waiver counties experienced greater flexibility to adjust to other factors effecting fiscal capacity?” Many of the documents collected for the first two phases were relevant for Phase 3. The first step in Phase 3 entailed conducting another review of these documents to code applicable data that support how the counties in the study adjusted to other factors affecting fiscal capacity. Instances in the data review where counties experienced increased fiscal capacity and discretion flexibility will were coded as such, and conversely for instances where counties reported experiencing decreased fiscal capacity and discretionary flexibility. Data indicating neither a positive or negative affect on fiscal capacity and decision-making flexibility were coded as neutral. As in the first two phases, the coded data was summarized in a matrix (see Appendix E).

Figure 3*Phase 3*

The fourth phase (See Appendix D) of the study addressed the last research question which asked, “Are Waiver counties able to increase prevention and permanency activities?” Many of the documents collected on the first phase contain information relevant to this question. The first step in Phase 4 entailed re-reviewing the relevant documents collected in Phase 1. In the second step pre and post Title IV-E reports and service delivery plans not included in Phase 1 such as waiver approval proposals and caseload information were collected. (See Appendices C) Atlas-ti was used for the document review process and coding. Data that support increases in prevention and permanency activities were coded as such. Data reflecting decreases or constraints to increasing prevention and permanency activities were similarly coded. Data that indicated no change were coded as neutral.

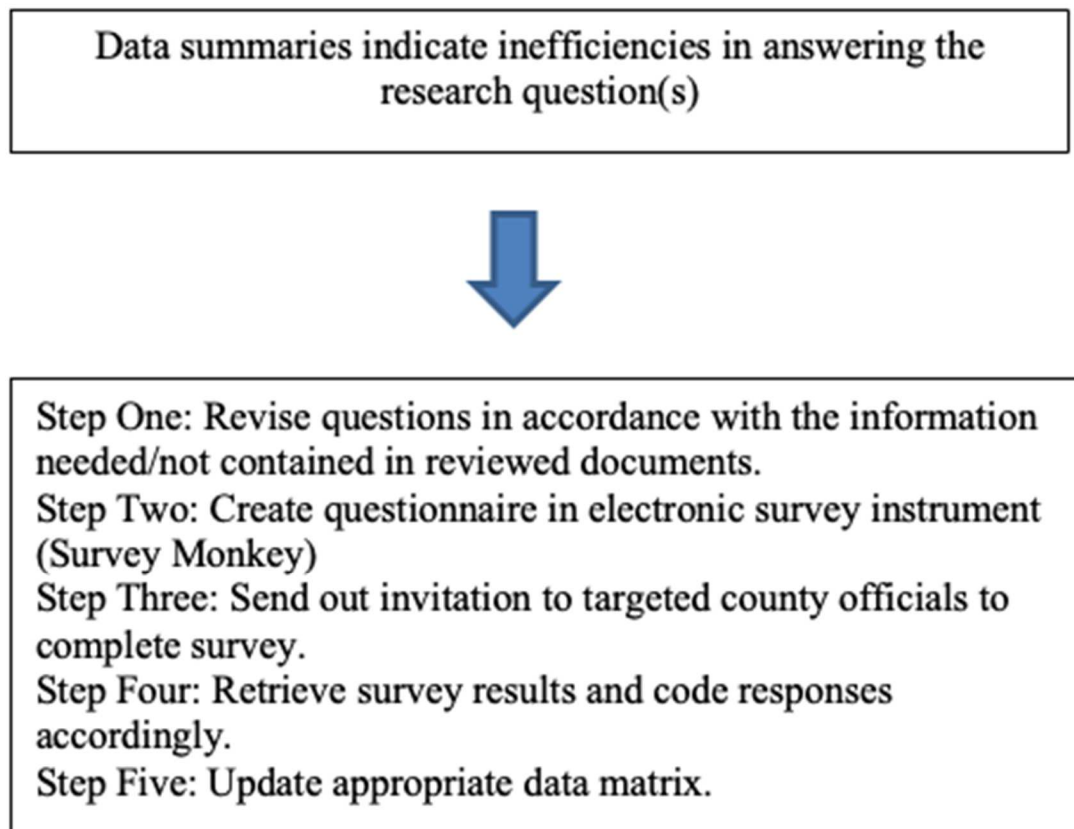
Figure 4*Phase 4*

An optional Phase 5 was considered if the document review yielded insufficient data to adequately address any of the research questions. If deemed necessary, the counties comprising the cases of the study would have been asked to complete a questionnaire to obtain information about the extent of changes in fiscal capacity and discretionary flexibility not articulated in the collected data. Appendices A and B contains sample questions that would have been in the questionnaire had it been utilized. The questions would have been directed to administrators within the respective county welfare agencies participating in the waiver and the selected non-participant counties. The questionnaire or interview would have consisted of several open-ended questions to allow local agency representative to provide insight not captured in any of the reporting mechanisms that were reviewed. The questionnaire would have been in an electronic

web-based format through an online service such as Survey Monkey. A phone interview with key administrative staff from participant and nonparticipant counties was considered as a possible alternative to be used in lieu of an electronic questionnaire.

Figure 5

Optional Phase 5



The final phase of the study analyzed the collected data and summarizing the findings. The coded data were summarized in a frequency table to analyze the relationship between the participation or non-participation in the Title IV-E Waiver with the question that this study investigated.

Issues of Trustworthiness

In order to ensure construct validity data was collected from more than one source. As referenced previously, state, federal and county documents will be reviewed. To ensure balance in the perspectives being reported, evaluative documents from child welfare advocates, policy research groups, and consultants will be included. California county welfare agencies are subject to periodic peer quality case review (PQCR). This is a peer reviewed assessment on how well county welfare agencies are carrying out child welfare case management. Inclusion of the PQCR report findings will also provide an alternate perspective on service delivery pre and post IV-E waiver participation. The measures that waiver counties will be evaluated on will be based on their IV-E waiver proposals and the policy statements found in their respective county budget document.

Subjectivity should be avoided to a large degree since the documents reviewed are not personal. The data contained reports and data systems are based on actual services provided and expenditures that occurred. Therefore, the information used in this study should be considered both valid and reliable. The only foreseen constructed or un-proven data anticipated being reviewed are case load and cost estimates. Year-end reporting will highlight the accuracy of these estimates.

Had a questionnaire been utilized, it would have been structured to be based on the actual data that was reviewed. It is the opinion of the researcher that objectivity in the responses from county representatives would have been maintained since they would have been speaking to actual service delivery outcomes and fiscal information reported.

As the researcher, my position as a fiscal analyst working in a California county welfare department could be perceived as lending to bias. I argue that objectivity was maintained since the researcher was employed with a county not participating in the Title IV-E waiver. It was the goal of the researcher to gain insight on possible best practices and issues to be aware of in the event that entitlement reform proponents are able to successfully transition the Title IV-E waiver from pilot to a permanent block grant. It is the more immediate objective to learn how county counterpart welfare agencies are able to adjust to an added funding constraint imposed by a block grant allocation method.

For the most part, this study is not reliant on direct participation from the county welfare agencies. It is possible that representatives from each of the waiver counties will choose to not take the survey or refrain from participating in a phone interview. To facilitate cooperation from the waiver counties, endorsement for the study was requested from the County Welfare Directors Association (CWDA). Copies of the completed study will be offered and provided to the waiver counties and CWDA.

Ethical Considerations

This study did not have any negative or harmful effect on any individual or groups of individuals who identify as vulnerable to exploitation. Likewise, no interviews or direct interaction with individuals who might be identified in this category took place. The documents and data that reviewed were already in the public domain or could be shared publicly by the counties without the need to sign a confidentiality disclosure agreement. Information requested through the public records request process was not

confidential in nature. All information that was requested in this manner was aggregated case or cost information related to a service rather than an individual client.

Pursuant to the potential use of a questionnaire, the counties identified as comprising the cases for this study received a letter requesting cooperation. A sample request for cooperation letter is in Appendix G. In addition, the counties were asked to confirm their cooperation by signing a cooperation agreement, a sample of which is found in Appendix H.

The collected data and subsequent Word documents or Excel spreadsheets that were used for the analyses was stored in a portable external hard drive to enable accessibility should there be technical failure from a desktop or laptop computer. This data was also backed up utilizing cloud storage such as Drop Box and One Drive which are encrypted, and password protected. Had a questionnaire been utilized, the data would have been stored in the Survey Monkey web-based program, which is a secured password protected and encrypted site.

As the researcher employed in a county welfare agency, I had access to county data systems. However, I did not have access rights to the Child Welfare Services Case Management System (CWS/CMS), and therefore did not have the ability to inappropriately access confidential client specific information. All county employees acknowledge limiting use of county computer systems to work related functions and maintaining client confidentiality. This agreement included abstaining from accessing information for personal reasons. I have signed this confidentiality acknowledgment which is on file with the San Joaquin County Human Services Agency personnel office.

To mitigate any perception of conflict of interest, disclosure was provided to the director of the agency regarding this research endeavor. A sample copy of a Conflict-of-Interest Disclosure Letter can be found in Appendix F.

Credibility

The documents reviewed for the study are actual documents the respective counties included in the study submitted to State and Federal funding sources. These expense and case load information is mandatory reporting and is used in an official capacity as part of the State's funding distribution formula to the counties, as well as to develop projections in the State's November Subvention and May Revision estimates. The case count and outcomes data from mandated program reporting are input into the Statewide Dynamic Child Welfare Services Case Management System Reporting database. This data base provides quantitative outcome data. County outcome data is audited on a tri-annual basis through the Peer Quality Case Review (PQCR) process that is a requirement pursuant to Federal funding.

Transferability and Dependability

The methodology utilized in this study is easily expandable to include more California counties or can be replicated with other county or local government jurisdictions responsible for administering CWS. The study consisted of a review of mandated program and expenditures. Outcome and expenses reporting required for Federal entitlement programs is standard. The implementation of social service entitlement programs is at the discretion of the respective states. Although there will be variances with regard to how service provision is implemented, the appropriations,

outcome tracking, and related expenses will be similar to be able to replicate the methodology utilized in this study.

Confirmability

The study focused on actual occurrences in program implementation during the selected time frames of the data and documents reviewed. The occurrences are documented pursuant to mandated reporting processes. The review of reported program expenses, case outcomes, and appropriations are not subjective in nature, and therefore facilitates objective review.

Summary

This study employed an exploratory case study approach to compare the differences in fiscal capacity and flexibility of California counties participating in the Title IV-E Waiver program with selected non-participant counties. The case study method was conducted through extensive document analysis of aggregated secondary fiscal and program data available from state and county sources. A questionnaire or phone interview was considered, but not used, to obtain information about the extent of changes in discretionary capacity had it been determined to be missing in the collected data. These methods were consistent with the objectives of the exploratory case study approach to increase familiarity with a topic, examination of a persistent phenomenon, and to describe how a policy tool such as the Title IV-E Waiver is being utilized and what counties are experiencing as a result.

The data collected from the secondary document review process is organized in tabular form in accordance with the measures linked to the research questions and Title

IV-E Waiver objectives. Questionnaire and/or interview data will be similarly organized. Comparisons among the data will be made to determine whether Pareto efficient distinctions can be made pre and post Title IV-E waiver implementation. The findings of this study contribute to the body of knowledge on county level fiscal policies and processes, as well as provides the basis for expanded research on the use of policy tools specific to counties.

Reflexivity and reactivity was managed through the iterative process of collecting, organizing and analyzing data based on actual experience of the participant counties. Necessary measures to ensure integrity to the validity and verifiability of the data and conclusions derived from the analysis were taken.

Chapter 4: Results

Introduction

In this study, I examined the extent to which policy tools, such as the Title IV-E waiver demonstration, facilitate cost control and increase decision-making flexibility. Additionally, I examined the usefulness of choice-based theories and the practical applications to budget decision-making processes within local government, specifically at the departmental level within counties. The study was a qualitative inquiry using a comparative approach to examine the usefulness of block grant funding structures guided by the following research questions:

RQ1: Do policy tools such as the Title IV-E waiver enable greater discretion and flexibility for county welfare agencies?

RQ2: Have waiver counties experienced increased fiscal capacity?

RQ3: Have waiver counties experienced greater flexibility to adjust to other factors affecting fiscal capacity?

RQ4: Are waiver counties able to increase prevention and permanency activities?

Setting

The study was conducted through an analysis of aggregated secondary data. The data used for this study came from county, state, and other public agency resources specific to the scope of Title IV-E funded services or relevant to the context of county welfare agencies and CWS. The document analysis was conducted in phases linked with the questions guiding this study. In this chapter, I review the steps taken in each of the phases of the study described in Chapter 3.

The documents containing the information necessary to facilitate the analysis process were identified in Appendix C. All the documents, as well as the Child Welfare System Dynamic Report System, are accessible in the public domain on the world wide web. County-specific fiscal data reported on the quarterly county expense claim not available in the public domain were obtained pursuant to a cooperation agreement or through a public records request. Four California counties were the focus of this study: Alameda, Los Angeles, Sacramento, and San Diego. Alameda and Los Angeles counties were selected because they are the only two counties participating in the initial Title IV-E waiver pilot. Sacramento and San Diego counties were selected as non-Title IV-E waiver comparison counties. Sacramento County is the sole county to agree to enter into a cooperation agreement. County expense claim information from the remaining three counties was obtained by submitting a public records request.

Atlas.ti is a qualitative software program that was used to organize relevant narrative data with the research questions. PDF copies of county budget documents, fiscal letters, and program reports were uploaded into Atlas.ti. The document review, data coding, and analysis protocol followed the data analysis plan as detailed in Appendix D and is summarized in this chapter in accordance with each phase of the process.

Title IV-E provides appropriation for multiple child welfare programs that are evaluated through the federal Child and Family Services Review (CSFR) process. The CSFR contains program benchmarks that state implementation and outcomes are measured against. The Title IV-E appropriation is the sum of the funding distribution for all child welfare programs contained within the authorizing legislation. The scope of this

exploratory study focused on program activities and outcomes related to reducing the number of children in the child welfare system (entries and exits) and family reunification. This approach was applied to the state and local funding allocations for these specific program areas.

Data Collection

Phase 1

The first phase of this study sought to answer RQ1: Do policy tools such as the Title IV-E waiver enable greater discretion and flexibility for county welfare agencies? The stated objective of the Title IV-E waiver is to “provide flexibility to invest existing resources more effectively in proven and innovative approaches that better ensure the safety of children and the success of families” (CDSS website). The kinds of activities designed to strengthen and support children and families to prevent out-of-home placement are typically funded through Title IV-B, which is a capped allocation. Therefore, counties are limited in exercising discretion and flexibility to make the necessary service improvements for preventive and family strengthening programs. Title IV-E funding is uncapped, but the use of funds is restricted to activities related to the removal of children from their families and out-of-home placement. The waiver program waives the restriction on the allowable activities eligible for Title IV-E funding, allowing counties to use IV-E funds to further enhance and leverage IV-B resources to improve preventive and family strengthening activities.

The assumption evaluated in Phase 1 is that waiver participant counties will experience greater discretion and flexibility pursuant to the removal of restriction on the

uses of Title IV-E funds, resulting in better program outcomes. To test this assumption, I collected program planning and outcome reporting documents relevant to the child welfare activities from the State of California Department of Social Services and the counties in this study. Planning and program progress reports were reviewed and descriptions aligning with Phase 1 assumptions were coded to note the frequency of descriptions affecting discretion and flexibility. The kinds of descriptions coded included anticipated or actual changes to funding, anticipated or actual changes in program implementation, anticipated or actual reductions in work force resources, and anticipated or actual delay in service delivery restructuring.

The documents selected for Phase 1 are descriptive of how counties implement programs and services supported by Title IV-E and other child welfare funding. In 2001, the California Legislature enacted the Child Welfare System Improvement and Accountability Act, which required the establishment of a system to track child welfare program outcomes. This system assists child welfare agencies in tracking program outcomes linked with performance measures and protocols for assessing areas of strength or in need for improvement. This outcome assessment system is a three-part process that occurs on a 5-year cycle. Outcome monitoring established by the Child Welfare System Improvement and Accountability Act began implementation in 2004.

California's Child Welfare System Improvement and Accountability Act is modeled after the federal CFSR. The CFSR is an assessment of child welfare service outcomes designed to facilitate improvements for children in the child welfare system. The federal outcome measures consist of: (a) reducing entry rates into foster care, (b)

ensuring no maltreatment of children in foster care, (c) reunification of children with families within 12 months, (d) reducing rates of foster care re-entry after reunification, (e) increased rates of adoption within 12 and 24 months in care, (f) decrease in the median length of stay in foster care and time to adoption, (g) increased exits to permanency, and (h) increased placement stability.

The state of California Child and Family Services Review (C-CFSR) incorporates the federal outcome measures along with additional outcome measures focusing on response time, case worker visits, keeping siblings together, increasing timely health/dental exams, and improvements in preparation and support for children aging out of foster care (California Department of Social Services, 2014). Preventing repeated child abuse is another federal outcome measure but is not included in this study because it is not directly Title IV-E related. In this exploratory study, I focused on the measure for reducing entry rates into foster care and the measure for reunification with families.

The first component of the C-CFSR process is the PQCR. As the name suggests, representatives from selected peer counties evaluate county practices and performance outcomes against the established measures. The peer evaluation is an opportunity to share best practices, identify county strengths, and make recommendations for areas to improve performance. PQCR findings were reviewed to summarize and compare activities critical to meet federal outcome measures over the course of the 4 years before implementation of the Title IV-E waiver and 4 years beginning with the waiver implementation. Service implementation changes recommendations described in the PQCR findings serve as indicators of discretionary flexibility.

The second component of the evaluation process is the county self-assessment (CSA). Each county self-evaluates their progress in meeting program outcomes based on child welfare data collected by the state as reported by the counties. The CSA provides counties with the opportunity to provide explanation and interpretation of quantitative program data. The CSA document provides detail on the trends reflected in the county-specific data. The CSA document provides another source of descriptive data before and after Title IV-E waiver implementation.

The last component of the evaluation process is the system improvement plan (SIP). The SIP incorporates the findings from the first two assessment processes to develop a plan of action for the county to make system improvements. The SIP outlines service improvement deliverables based on specified strategies and time frames. The SIP is developed collaboratively with county welfare and probation agencies and other community partners. Once accepted and approved by the state, the SIP becomes an operational agreement between the state and county. The SIP is another source of descriptive data to evaluate the extent to which counties were able to realize making system improvements before and after Title IV-E waiver implementation.

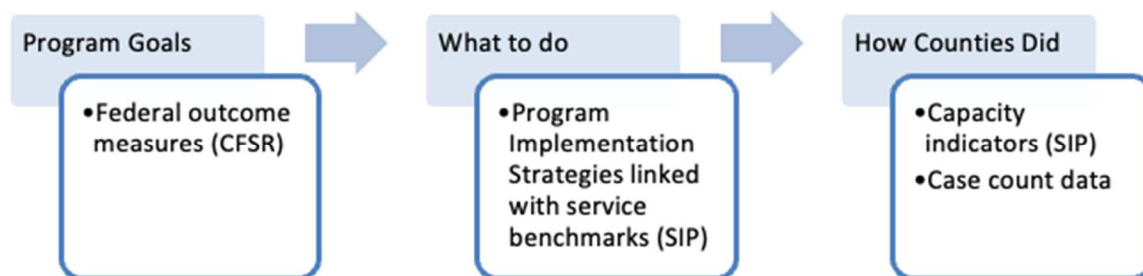
The timing for California counties to participate in the PQCR process and complete SIPs and CSAs is on a staggered schedule beginning in January 2004. The counties in this study were not on the same reporting schedule. Although the purpose of each of these program monitoring processes is to evaluate service delivery practice and outcomes, these reports provide insight on service provision capacity relevant to this study. The first two assessment activities are designed to inform the next assessment

activity following it. Each of the counties selected for inclusion in this study have participated in all three steps of the assessment process. All four of the study counties prepared a SIP that incorporates findings from the PCQR and CSA.

The county SIPs provided the most consistency to compare strategies with outcomes as capacity indicators in pre- and post waiver years. The SIP documents for each of the counties selected for this study were obtained either from the California Department of Social Services (CDSS) or county-specific websites in PDF format. The electronic copies of each county's SIP were imported into Atlas.ti to review and code text providing evidence of strategies and capacity. Figure 6 illustrates the relationship of the data in the documents reviewed for this phase of the study.

Figure 6

Data and Document Relationship



The program document analysis began first with review of service delivery outcomes aligned with the CSFR federal outcome measures. This was followed by review of case load data which provide supports the strategies detailed in the county SIPs. Qualitative descriptions and quantitative data that are indicators of changes in decision making flexibility were coded as follows:

- New Initiatives = Increased discretion
- Reductions in services = Decreased discretion
- No changes = Neutral discretion

Service Delivery

The County SIPs detail program implementation strategies that are intended to facilitate improvements aligned with Federal service outcome measures. Program strategies described in the SIP documents detail changes in service delivery to achieve program outcome goals. These strategies are categorized in accordance with the Federal outcome measures. The described strategies involve change in internal processes and procedures, relationships and collaboration with various stakeholders, and expanding the scope of service provision. Each of these indicate capacity in decision making flexibility. Some strategies such as revision to internal processes and procedures indicate decision making constraints or limiting change to fit within existing resources. Other strategies that note expanding the scope of services to the extent that additional staff would be required indicates expected increase in resources.

Quantitative Data obtained from the UC Berkeley CWS/CMS Dynamic Reporting System (Report System) also provides key data for capacity change indicators. Caseload and case related demographic information that all 58 California counties report to the State is contained in this data system which is maintained by UC Berkeley. Access to the data is available to the public on the web, where data can be viewed, filtered, and downloaded into Excel or PDF. All relevant caseload data for service areas that align with the CSF-R/Federal outcome measures are available for download from the Report

System in Excel. This exploratory study focused on a subset of caseload and outcome data. Foster care entry and family reunification case related data for the chosen counties was selected for the period before the Title IV-E Waiver implementation (2003 through 2006) and at implementation (2007 through 2010). The selected data correspond with the C-CSFR/Federal outcome measures. The case data was compared to the program strategies and outcome goals to evaluate capacity changes influenced by the Waiver. The selected case data provide a mechanism to measure county projected discretionary capacity for service provision improvements.

The program implementation strategies for each of the selected counties in this study are organized by the Federal outcome measures and followed by the case load data that demonstrates the extent to which the counties were able to meet program goals pre and post waiver years. Not all of the Federal outcome measures were directly addressed in all four of the SIP documents reviewed. Each County's SIP varies according to the outcome of the PQCR. The SIP addresses the most pressing areas in need of improvement that is county specific. Although the detailed strategies may not directly align with all eight of the federal outcome measures, most of the strategies address several outcome measures. The data review concentrates on the strategies aligned with foster entries and family reunification.

Table 1 provides a condensed comparison of the strategies detailed by the two Waiver counties in their respective SIPs addressing reducing entry rates into foster care. Four out of the six strategies detailed by Alameda County are new initiatives, or enhancements that are indicators of increased discretion. The program expansions or

enhancements planned by Alameda County require resources for costs associated with contractual relationships with community organizations to provide the expanded or enhanced service delivery. Two of the strategies, developing a department wide family finding and engagement practice, and expansion in the use of Team Decision Making (TDM) meetings are internal process and procedural changes. These changes can be implemented within the parameters of existing resources and were coded as neutral discretion.

All four of Los Angeles County's strategies clearly indicate increased discretion in planning for services. The creation of After Care Services leveraging Promoting Safe and Stable Families (PSSF) and Child Abuse Prevention, Intervention, and Treatment (CAPIT) funding facilitates the availability of Title IV-E funds for other service delivery improvements. The expansion of Wraparound services proposed to be carried out through contracted service is a beneficiary of this potential funding flexibility. The provision of homebased mental health services, although contracted, is likely eligible for mental health funding, if not in whole, at least in part. This is another way to enable additional Title IV-E funding to leverage with Title IV-B funding for focused family strengthening activities to reduce entries into foster care. All four strategies were coded as increased discretion.

Table 1*Waiver County Strategies to Reduce Entry Rates Into Foster Care*

Alameda		Coding
Develop a department wide family finding and engagement practice		Neutral discretion
Enhance Parent Advocate Program		Increased discretion
Expand Another Road to Safety (ARS) from children 0-5 to all ages countywide		Increased discretion
Expand Another Road to Safety (ARS) to targeted areas		Increased discretion
Expand TDM's increasing accessibility to youth, families, and community partners		Neutral discretion
Utilization of Voluntary Diversion Program		Increased discretion
Los Angeles		Coding
Expansion of Wraparound Program by expanding the number of slots through existing Family Preservation agencies.		Increased discretion
Explore possibility of creating After-Care Services through PSSF/CAPIT integration contracting process		Increased discretion
Implementation of the Prevention Initiative Demonstration Project (PDP) The Department of Children and Family Services (DCFS) will connect the families with Community Based Agencies (CBOs) which will provide assessment and comprehensive services to the families in their own community.		Increased discretion
Provision of intensive home based mental health services (IBHS) which is an individualized, child focused, family centered approach offered through contracted mental health providers.		Increased discretion

Source: Alameda County 2007-2010 and Los Angeles County 2008-2011 SIPs.

The SIP strategies for the non-Waiver counties addressed most of the federal outcomes indirectly. The strategies to reduce foster care entries for the Non- Waiver County were focused predominately on making improvement to case work processes, procedures and staffing. Sacramento County strategies indicate limited discretion. Sacramento County referenced the continuance of funding requests to increase staffing levels recommended by a child welfare workload study. In 1998 the California Legislature passed Senate Bill (SB) 2030 mandating a workload study and budgeting

methodology for CWS. The final report for the study was released in 2000. A set of caseload standards was developed based on the type of case management activities carried out by a worker based on an average of 116.10 hours per month that a worker would have available for direct case management. The amount of time allocated for casework was then used to allocate funding through the Preliminary County Administrative Budget. The study findings noted that to effectively reduce foster care entries and increase exits from foster care, more staff time is needed for direct case management. (Kern and Moore, 2000) Sacramento's first signals resource constraints and challenges to making the casework improvements, therefore the strategy was coded as Reductions in Services = Decreased Discretion.

Sacramento County's second strategy in Table 2 is a brief overview of the approach employed to review all aspects of casework activities needing improvements. The SIP lists the specific processes and procedures to be evaluated for improvements. There were two recurring themes for improvement noted for all targeted casework areas. The first is consistency and timeliness of documentation of casework activities in the case management system. The second is extensive planned staff training. Sacramento's second strategy was coded as Neutral = No change, since the activities associated with this strategy would be carried out using existing resources. Funding is allocated to counties to support the PQCR process necessary to develop the strategies detailed in the SIP.

Table 2*Nonwaiver County Strategies to Reduce Entry Rates Into Foster Care*

Sacramento	Coding
Continue to request funding to add staff to move closer to the staffing levels recommended in the SB 2030 Workload study (2000) in order to improve timely response.	Decreased discretion
Identify and eliminate barriers to timely response. Improve coordination and communication between program sites.	Neutral discretion
San Diego	Coding
Implement a Public Child Welfare Academy to provide training for social workers. Coordinate with Casey Family Programs to benefit from their expertise on fairness and equity.	Increased discretion
Internal case management and decision-making processes and procedures that may impact over representation of African American and Native American children in the county welfare system. Conduct a pilot project to assess the concepts of the CWS Redesign Fairness and Equity Matrix in social work practice.	Neutral discretion

Source: Sacramento County and San Diego County SIPs.

San Diego County's SIP is structured similarly to Sacramento County, itemizing casework areas targeted for evaluation and identification of process improvements. Both Sacramento and San Diego County SIPs identify timeliness of casework activity documentation, internal coordination and communication as areas needing improvement. San Diego's strategies differ from Sacramento by directly addressing the consequences that casework activities have on resulting disproportionality in caseload demographics. Disproportionality is the over representation of children of color in the foster care system. San Diego's first strategy in Table 2 suggests decision flexibility. The development of a training academy and coordination with a non-profit foundation suggests that San Diego has less resource constraints compared to Sacramento. This strategy was coded as New Initiatives = Increased Discretion.

San Diego's second strategy in Table 2 consists of an internal review of existing casework processes and procedures focusing on the issue of disproportionality. This strategy involves analysis of existing casework processes and procedures in order to make modifications aligning with CWS redesign concepts. Although San Diego's second strategy hold the possibility facilitating a new agency wide initiative, implementation is limited to a select group of caseworkers, and for assessment purposes. For this reason, this strategy was coded as No Changes = Neutral Discretion.

The frequencies in the strategies linked with projected discretionary flexibility is shown in Table 3. California counties are on a staggered schedule to complete their respective SIP. The time frames of the SIPs reviewed were not all covering the same time periods. The strategies identified reflect both the outcome of the PQCR process and the fiscal conditions at the time. The Waiver counties planned more activities that reflected resource availability to expand or enhance preventative and family strengthening activities. The frequencies shown in Table 3, the Waiver counties had a higher incidence of implementing strategies indicative of increased discretion. The planned strategies reported by the non-Waiver counties were primarily focused on process improvements that could be implemented within fiscal constraints. This is supported in the frequencies shown in Table 3. The Non-waiver counties strategies were indicative of little or no capacity to increase discretion

Table 3*Strategies to Reduce Foster Care Entry Rates*

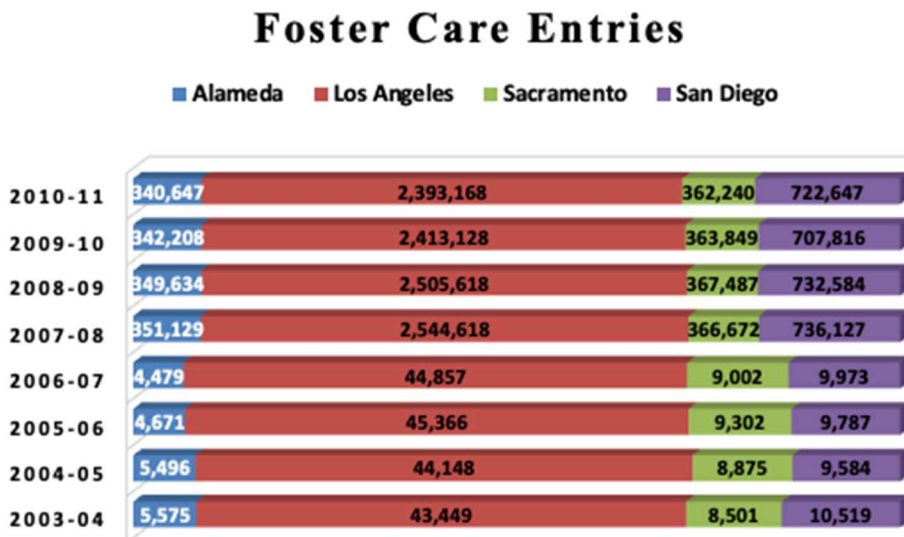
County	Increased discretion	Decreased discretion	Neutral discretion
Alameda	4	0	2
Los Angeles	4	0	0
Sacramento	0	1	1
San Diego	1	0	1

Source: Alameda County and Los Angeles County SIPs.

Figure 7 provides foster care entry comparisons between the Waiver and Non-Waiver counties in the years prior to implementation of the Waiver and four years after. There is an unexplained inconsistency in the foster care entry case counts transitioning from FY 2006-07 to FY 2007-08, which was retrieved from the CWS/CMS Dynamic Reporting System. In the pre-waiver years Alameda, Los Angeles, and San Diego counties show a trend of declining foster care entries. This declining foster care entry trend is supported by the discretionary indicators as noted in Tables 1 and 2. In contrast, over the course of the selected pre-waiver years, Sacramento's data shows incremental increases in foster care entries. The constraints on Sacramento's capacity to add staffing supports this trend.

Figure 7

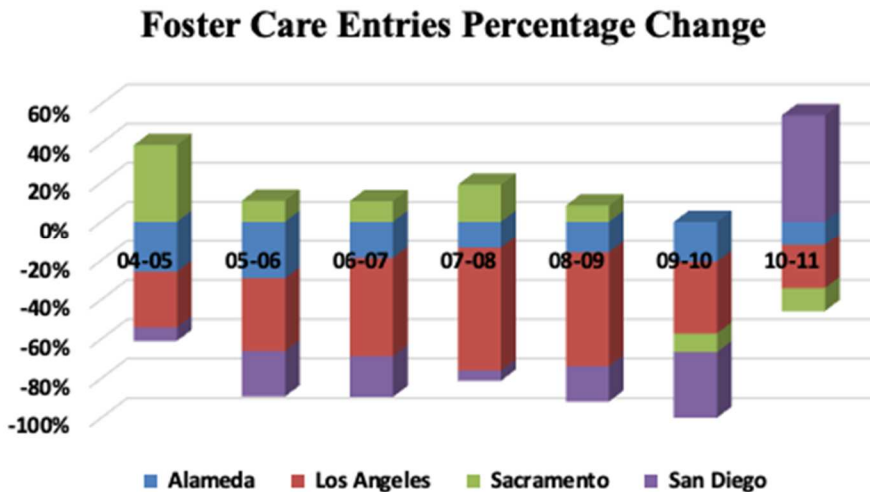
Foster Care Entries



Source: CWS/CMS 2017 Quarter 1 Extract.

Figure 8

Foster Care Entries Percentage Change



Source: CWS/CMS 2017 Quarter 1 Extract.

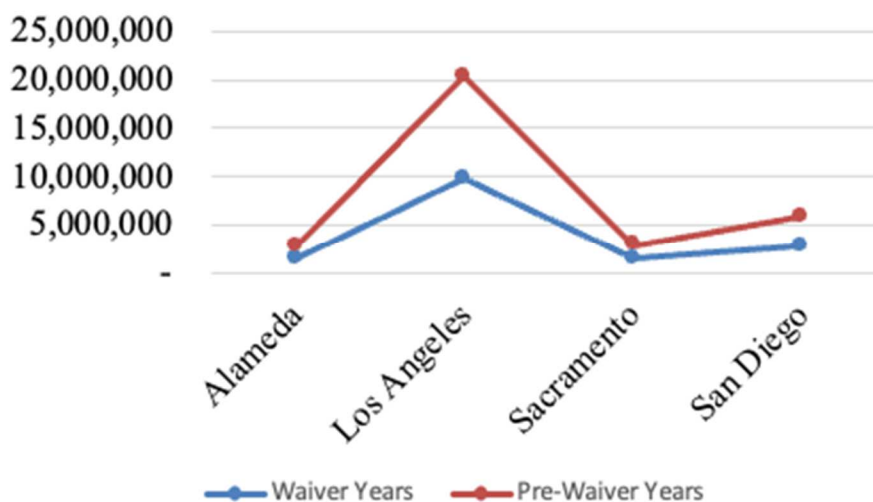
The PQCR process and development of the SIP is on a staggered schedule. The strategies reviewed and coded cover a three-year period. There is some overlap where a county's SIP covers both pre and post waiver years. This overlap allows comparison of the strategies employed impact on reducing foster care entries. Figure 3 provides foster care entry case count comparison since waiver implementation. The declining trend of entries into foster care continued with the waiver counties (Alameda and Los Angeles).

In the pre-waiver time period, reductions in Sacramento's foster care entry case counts were followed by increases. Sacramento's strategies to improve casework processes appear to have helped the county make gains during the waiver years. However, Sacramento's trend was inconsistent as noted with the slight increase in entries in 2008-09. The table in Figure 4 shows the aggregated case counts for pre and post waiver years. The aggregated representation of case counts shows an overall increase in foster care entries, supporting the indicators of constraint on Sacramento's discretionary capacity to implement casework improvements.

The table in Figure 3 shows a declining trend in foster care entries for San Diego County during the waiver years. San Diego's declining caseload trends were consistent in the post waiver years. San Diego's aggregated case count data shown in Figure 3 aligns with the trends of the waiver counties. In contrast to Sacramento, San Diego's strategies indicated some degree of discretionary capacity, which the consistency in the decline in foster care entries support.

Figure 9

Foster Care Entries Pre and Post Waiver Year Comparison



Source: CWS/CMS 2017 Quarter 1 Extract.

Reunification of Children With Families

All three of the counties selected for this study included activities involving use of inclusive decision-making processes and collaborative support services. Supportive service activities noted by the counties consist of expanding collaboration with community-based organizations through service contracts and cost sharing agreements with other public agencies. Activities described as an expansion or enhancement of existing service provision indicate projected increase in decision making flexibility. These activities were coded as ‘increased discretion’. Other activities that were noted as continuance of status quo processes or could be implemented within anticipated appropriations were coded as ‘neutral discretion’.

Table 4*Reunification of Children with Families Waiver County Strategies*

Alameda	Coding
Arrange for CLETS terminal in placement services	Neutral discretion
Enhance County Counsel support to reduce continuances and other delays to reunification. Hire additional Counsel and paralegal staff.	Increased discretion
Expand Foster Care eligibility staffing	Increased discretion
Expand use of Structured Decision Making (SDM) concepts in Team Decision Making (TDM) meetings.	Neutral discretion
Implement centralized location for family friendly visitation center. Issue RFP to select CBO who will operate visitation center	Increased discretion
Implement Diversion Model in collaboration with Drug Dependency Court	Neutral discretion
Implement One Child One Placement philosophy with relative approval process	Neutral discretion
Los Angeles	Coding
Continued implementation of Family Team Decision Making (FTDM) to engage families and community partners to make the best decisions possible and ensure a network of support for the child and the adults who care for them.	Neutral discretion
Expand and enhancement of Wraparound services which is a strength and community-based team approach utilizing individualized services. Implement contract for service expansion.	Increased discretion
Expand Family Preservation service contracts.	Increased discretion
Expand Parents in Partnership, a support and resource pairing parents who have navigated through the child welfare and juvenile dependency system with parents who are new to the system.	Increased discretion
Provision of intensive home-based mental health services (IBHS) which is an individualized, child focused, family centered approach offered through contracted mental health providers.	Increased discretion

Source: Sacramento County and San Diego County SIPs.

Table 5*Reunification of Children With Families Nonwaiver County Strategies*

Sacramento	Coding
Continued use of Structured Decision Making (SDM) model using family strength and needs assessment tools in caretaker assessment.	Neutral discretion
Expand Differential Response and Team Decision Making (TDM) through collaboration with community-based organizations and resource rich partners (Alcohol and Drug programs, Mental health programs, Health programs, and family resource centers).	Increased discretion
Incorporate principles of Family to Family in the development of case plans based on family strengths, provide re-sources and support to stabilize families.	Increased discretion
San Diego	Coding
Assess the impact of the Intensive Family Preservation program (IFPP) services on timely reunification. Ensure families receive support services for timely reunification.	Increased discretion
Promote family engagement in case planning to ensure case plans are specific to family needs and encourage family compliance with case plan activities and goals, through Community Services for Families contract.	Increased discretion
Review continuances in dependency family reunification cases to identify and remove barriers impacting timely reunification. Provide necessary staff training.	Neutral discretion

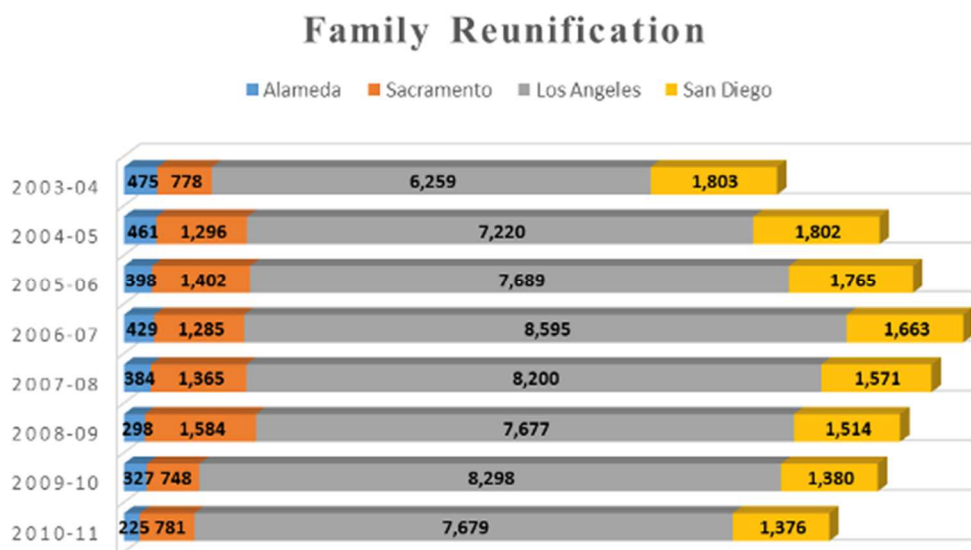
Source: Sacramento County and San Diego County SIPs.

Table 6 shows the frequencies of the strategies linked with family reunification. All counties projected capacity indicating increased decision-making flexibility. All four counties reported anticipated program enhancements through contracted services with community-based organizations. Alameda county's strategies included internal measures to increase foster care eligibility staffing and support for county counsel to expedite family reunification. Internal process improvements and continuance of case management best practices were among the strategies referenced by all four counties that were coded as Neutral Discretion since these activities would be implemented within the parameters of appropriated resources.

Table 6*Reunification Strategy Frequencies*

County	Increased discretion	Decreased discretion	Neutral discretion
Alameda	3	0	3
Los Angeles	4	0	1
Sacramento	2	0	1
San Diego	2	0	1

Figure 5 provides a comparison of reported reunification counts in the pre-waiver and waiver time periods of this study. It is important to note that both entries into foster care and reunification counts are aggregated data inclusive of varying demographic characteristics and placement types. Total case counts for entries into foster care show a varying trend of decline. The percentage change in foster care entries from year to year for all counties was relatively negligible at 2% or less. The case count variances in family reunification case counts for all counties in both pre and post waiver years were similar. The 2009-10 and 2010-11 fiscal year family reunification (FR) case counts for Sacramento County stand out from the other counties in this study because they experienced a significant decline in FR case counts. The explanation for the sudden change in consistency in case load change trend for Sacramento County is outside of the scope of this study, requiring closer scrutiny of placement types and other case specific characteristics.

Figure 10*Family Reunification*

Source: CWS/CMS 2017 Quarter 1 Extract.

The service delivery planning process begins with determining the extent of available resources. Funding changes are indicators of potential expansion or contraction of discretion flexibility. In addition to program reports, state and county funding related documents were also reviewed. The Title IV-E Waiver began implementation beginning in FY 2007-08, with the pilot period scheduled to end in FY 2011-12. The final adopted county budgets reviewed covered four fiscal years prior to implementation of the Waiver beginning with FY 2003-04 and the first four years of the Waiver pilot beginning with FY 2007-08 through FY 2010-11. The final adopted budgets were evaluated to compare resource availability and decision-making flexibility. Description of these changes were coded to capture the frequency of these changes.

Qualitative descriptions and quantitative data that were indicators of change reflecting changes in decision making flexibility were coded as follows:

- Projected funding Increase/New Funding = Increased discretion
- Projected funding decreases = Decreased discretion
- No changes = Neutral discretion

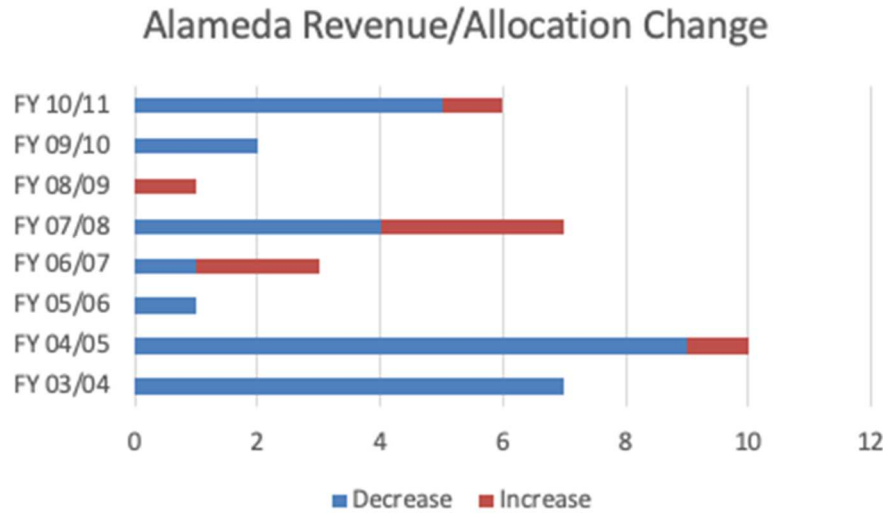
The adopted county budgets for each of the selected years of this study were reviewed with both qualitative and quantitative data coded as referenced. The descriptions selected for coding was not specific to child welfare funding. The review of the adopted county budgets focused on the overall fiscal condition of the county, which impacts all service delivery areas, including CWS provision. Any described changes in projected revenues that have an impact on county general fund were coded as referenced. The general fund is the primary source of required county matching for state and federal appropriated funds. Coded descriptions reflecting decreases in revenue, include county level policy decisions to reduce appropriations necessary to balance the budget or to ensure minimum levels of service provision across service functions. In this regard, revenue sources that were projected or experienced actual growth, had the effect of an offset to expenditure increases.

The frequencies in descriptions coded to reflect funding decreases or increases were experienced by varying degrees by all four counties over the selected years of the study. The descriptions coded as reflective of funding decreases included reductions in areas that could be cut without falling out of compliance with federal or state requirements. These appropriation reductions were shifted to ensure minimum service

levels in accordance with priorities set by County Boards of Supervisors, or to ensure federal and state funding match requirements were met. The variances in the frequencies shown in Figures 6 through 9 are tied to the elasticities in revenue growth that support county general funds. An additional factor includes the extent to which balancing budgets relied on general fund reserves when new revenues were insufficient to meet expenditure growth.

Figure 11

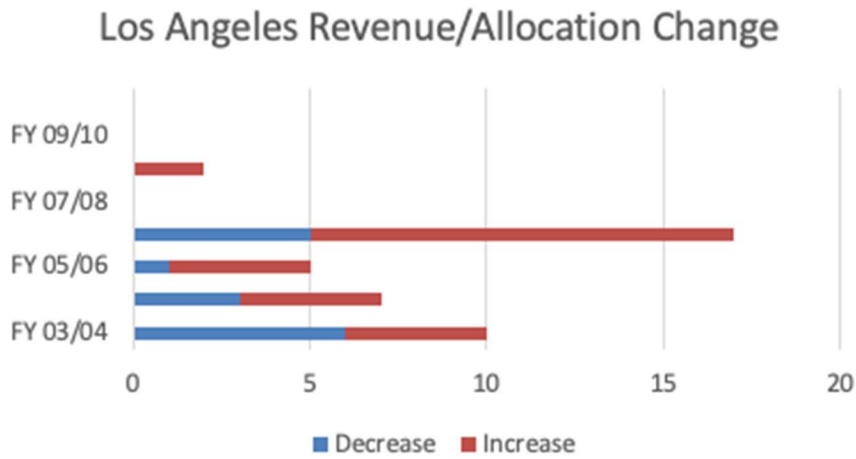
Alameda Revenue/Allocation Change



Source: Alameda County adopted budgets.

Figure 12

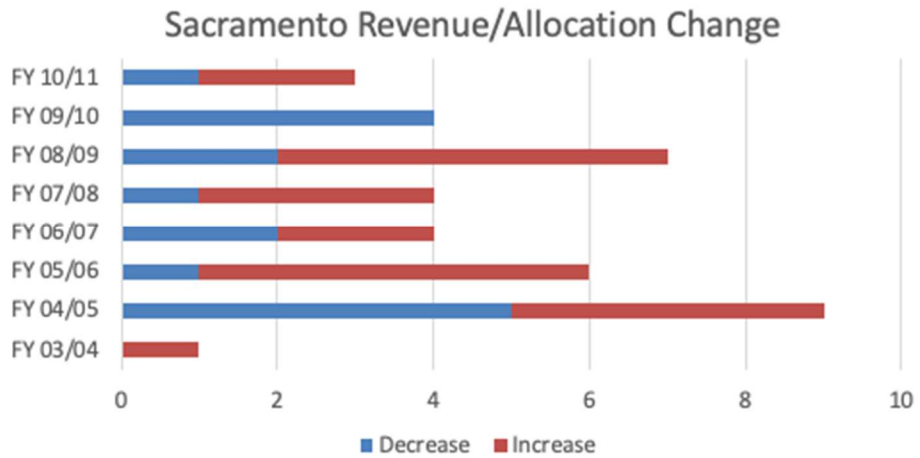
Los Angeles Revenue/Allocation Change



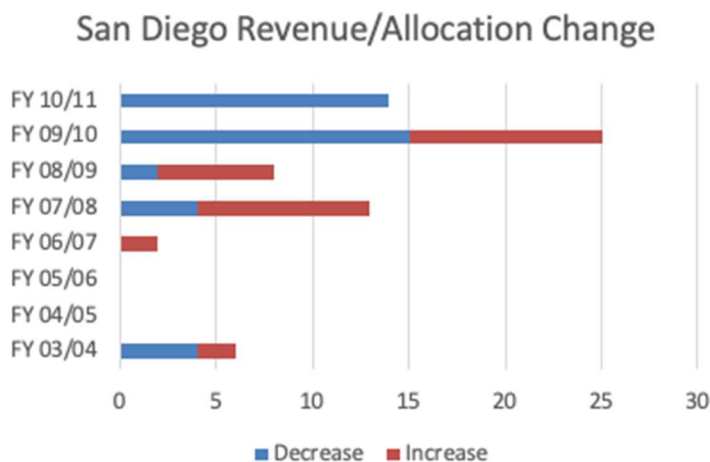
Source: Los Angeles County adopted budgets.

Figure 13

Sacramento Revenue/Allocation Change



Source: Sacramento County adopted budgets.

Figure 14*San Diego Revenue/Allocation Change*

Source: San Diego County adopted budgets.

Phase 1 Summary

As administrative arms of the State, County budgets are sensitive to the state and federal resource constraints, since they do not have the ability to borrow that occurs at the state and municipal levels of government. Using the reported strategies as a measure of decision-making flexibility, the Waiver counties had a higher incidence of planned program expansion and enhancement overall. This is an indicator that participation in the Waiver program helped smooth fluctuations in the availability of resources while programs experienced escalating expenditures. The non-waiver counties had a higher incidence of developing improvements to existing case management practice and process within the parameters of anticipated reductions or unchanged funding levels from year to year. This indicates that the funding constraints of the non-Waiver counties limited decision-making flexibility.

Phase 2

The budget documents previously reviewed and coded in Phase I of the study were re-examined to evaluate the relationship between resource availability and county expansion or contraction of service provision. The assumption is that Waiver participant counties are more likely to increase service provision or at minimum have an improved capacity to maintain existing service levels. The descriptions in the adopted county budget documents that highlighted changes in funding resource availability were re-coded to indicate capacity changes in service provision. Additional fiscal documents were included in Phase II, specifically County Fiscal Letters (CFL's) issued by the California State Department of Social Services. CFL's provide information on estimated funding, as well as federal, state and county cost share responsibility. Funding changes referenced in the CFL's were coded similarly to the budget documents. The frequency of fiscal capacity change was compared with the coded reported program outcomes reviewed in Phase I. Qualitative descriptions and quantitative data that were indicators of change reflecting changes in decision making flexibility were coded as follows:

- Funding and allocation increases = Increased fiscal capacity
- Funding and allocation decreases = Decreased fiscal capacity
- No changes = Neutral fiscal capacity

State Budget and Fiscal Capacity

During the selected years of the study California was dealing with structural budget deficits. Budget cuts and other restrictive state level policy decisions reduced fiscal capacity of county welfare agencies. The Governor's May Revision provides

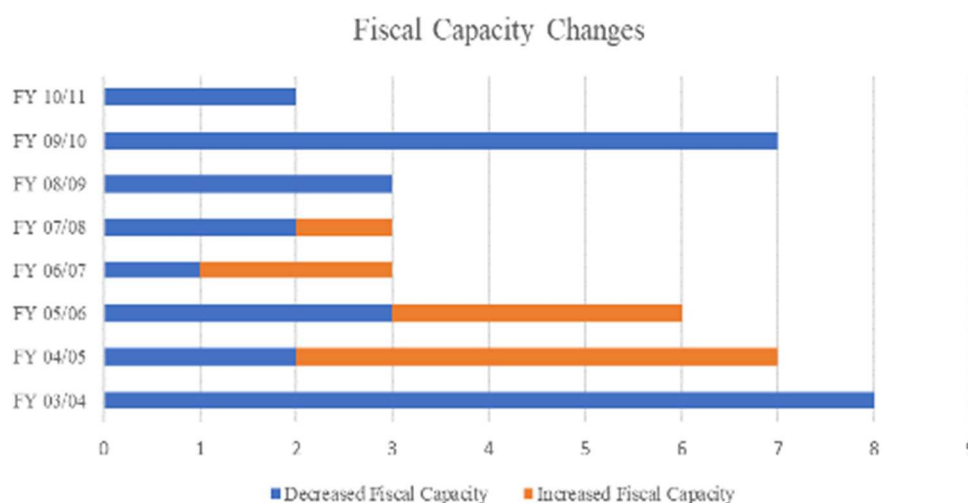
updated projections on budget estimates previously released in November and the January Proposed Budget. May Revision reports for the selected pre and post waiver fiscal years were reviewed to capture projections and activities affecting county fiscal capacity. Relevant narrative to changes affecting projected revenue sources were coded to quantify the frequency in the mention of appropriation reductions or other policy decisions affecting funding.

During the pre-waiver years, beginning with the 2003-04 fiscal year through the 2005-06 fiscal years California's economy was showing improvements recovering from the 2001 recession. Description of projected or actual positive growth in tax revenue, job growth, declining unemployment rates, and various business sectors were coded as an indicator of increased fiscal capacity. During the pre-waiver years of this study, expenditure growth outpaced the growth in revenues. Capacity building in each of the pre-waiver years were created in part by service reductions, temporary tax and fee increases, cost shifting to counties, and increasing general fund appropriation from fund balance reserves. These budget balancing maneuvers are indicators of reduced fiscal capacity and coded as a decrease in fiscal capacity. California borrowed heavily to balance the state budget in response to the 2001 recession. A large portion of revenues during Fiscal Years 2004-05, 2005-06, and 2006-07 were appropriated to pre-pay bond debt decreasing fiscal capacity. The policy decision to appropriate funds to pre-pay debt obligation required cuts and use of fund balance reserves. Debt obligation pre-pay in each of the pre-waiver fiscal years was coded as a decrease in fiscal capacity. Revenue growth increment in each of the pre-waiver fiscal years had the effect of expenditure increase

offset due to the Pre-pay policy and measures taken to ensure a balanced budget. This resulted in lost opportunity to increase appropriations necessary for program expansion.

Figure 15

May Revision Fiscal Capacity Changes



Source: California Department of Social Services November subvention and May revision caseload estimates.

Table 7

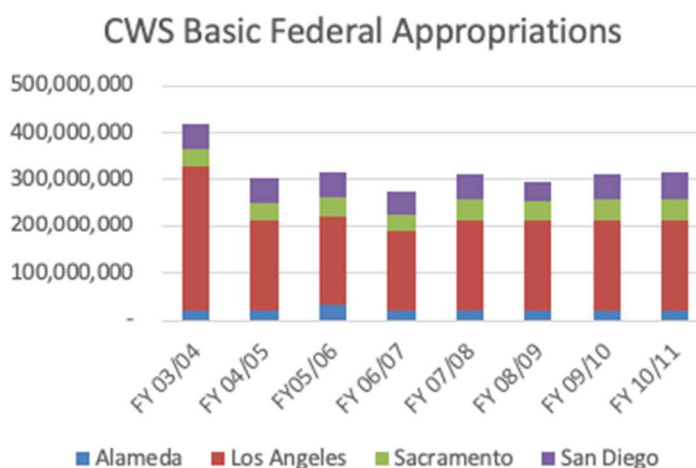
May Revision Fiscal Capacity Frequencies

	FY 03/04	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11
Decreased Fiscal Capacity	8	2	3	0	0	3	7	2
Increased Fiscal Capacity	0	5	3	2	1	0	0	0
No Change Fiscal Capacity	0	0	0	0	0	0	0	0

Source: California Department of Social Services November subvention and May revision caseload estimates.

County Fiscal Letters

The selected CFL's reviewed are specific to the CWS allocation. County fiscal letters provide a breakdown of the allocation by program component. The Waiver year CFL's present the allocation breakdown differently for Waiver and Non-waiver counties. The review of CFL's focus on the CWS basic portion of the allocation to align with the selected program outcome data in Phase 1 of the study. The CWS basic portion of the allocation supports case management activities that include, but is not limited to family preservation, family reunification, and process improvements. Presentation of the CWS basic allocation in the pre-waiver year CFL's included funding for Emergency Assistance (EA) Foster Care Eligibility activities. No information was provided in the CFL's to determine the amounts designated to CWS and EA activities respectively. The CFL's issued during the Waiver years presented the CWS and EA allocations separately. To provide continuity in comparing fiscal capacity changes over the selected years of this study, the CWS and EA allocations for the Waiver years of the study are combined.

Figure 16*CWS Basic Federal Appropriations*

Source: California Department of Social Services county fiscal letters.

During the pre-waiver fiscal years, all four counties experienced significant reduction in Title IV-E funding beginning in FY 2004-05. Figure 11 shows more volatility in funding fluctuation for all counties during the pre-waiver years. The way the waiver appropriation was structured for Alameda and Los Angeles counties guaranteed a base appropriation with a modest growth factor of 2% for the duration of the pilot. The fixed based guarantee for the waiver counties had a stabilizing effect that provided consistency for better service provision planning. Comparatively, the non-waiver counties experienced more volatility in Title IV-E funding during the Waiver implementation years of the study. The non-waiver counties experienced some degree of revenue growth that supported the program enhancements expected to be implemented during post waiver years.

County Adopted Budgets

County fiscal capacity frequencies mirror those in Phase I for decision making flexibility. The adopted budgets for all four counties reported incremental revenue increases from sources that support the county general fund. However, these incremental revenue increases were lower than projected expenditures. Counties relied on reductions and reliance on general fund reserves to ensure minimum levels of service across all service areas, and to meet federal and state mandates. The decision-making flexibility frequencies in Phase I of the study, which shows consistent limitations in this regard, is linked with the State's structural deficits and policy decisions to focus on pre-paying bond debt that covered several fiscal years.

Phase 2 Summary

The foster care entry and family reunification case count obtained through the CWS/CMS Dynamic Report System are an aggregation of all placement types. The foster care entry and family reunification case counts were relatively flat over the course of the pre and post waiver years. Placement type influences case management activities. Some placement categories, such group home placements have a higher cost due to mental health provision embedded in this type of congregate care. Disaggregation of the case counts by placement type would provide a comparison among placement categories that would help explain the changes reflected in the data. The flattening of case counts observed for the selected fiscal years of the study, indicates limited fiscal capacity and limited decision-making flexibility to emphasize family strengthening and preventative activities. Although the Title IV-E appropriations for the Waiver counties was capped,

they gained a greater degree of fiscal capacity to make program enhancements as evidenced in their planned strategies. For the non-waiver counties, the constraints explain why the strategies referenced in each respective SIP focused primarily on internal process and case management practice change.

Phase 3

The third phase of this study sought to evaluate the extent that counties experienced flexibility to adjust to other factors effecting fiscal capacity. The intent was to determine whether or not counties participating in the Waiver program had any advantage compared to the selected non-waiver counties. The state required match for federal Title IV-E funding had been shared between the State and Counties, with the State having responsibility for greater percentage of the match. In the fourth year of the Title IV-E Waiver pilot the State of California enacted a new fiscal policy shifting the entire responsibility of providing federal match requirements for specific social service programs, including those funded by Title IV-E, to the counties. This policy realigned funding for the affected social service programs by designating specific tax revenues to the counties to support this devolutionary measure.

The objective of the 2011 Realignment is similar to that of the Title IV-E Waiver, which is to create a cost control measure that has the potential to provide counties increased decision making flexibility. The initial cost allocation of projected Realignment tax revenues to the affected programs was based on each county's prior year distribution of state funds. A two percent growth factor that had been part of the social services revenue distribution methodology was retained. The previous method of allocating the

state share of matching funds by program did not allow the counties to have the flexibility of using state funds interchangeably among programs. The value to counties upon enactment of Realignment 2011 was gaining the ability to use anticipated savings in unspent Realignment revenue to support any program affected by the realignment.

The State projected a significant budget shortfall for the 2010-11 fiscal year. Realignment 2011 was enacted in the 2010-11 fiscal year and went into effect in the 2011-12 fiscal year. The 2011-12 fiscal year was the final year of the Title IV-E Waiver pilot period. Although the implementation of Realignment 2011 is outside of the scope of the selected fiscal years of this study, data from fiscal year 2011-12 was compared with fiscal year 2010-11 data. Realignment 2011 created subaccounts designating portions of county Realignment revenue by program area. There are seven public assistance subaccounts, of which this study focuses solely on the CWS subaccount where revenues supporting Title IV-E program activities are appropriated. It is important to note that the opportunity for greater flexibility is contained within the specified subaccount.

The assumption tested in Phase III of the study is that the Waiver counties will experience greater flexibility to respond to changes in fiscal capacity. To provide context to the comparison between Waiver and non-waiver counties Table 8 compares the base year (FY 2011-12) realignment appropriations with the next three fiscal years (2012-13, 2013-14, and 2014-15). To provide additional context the CWS Basic appropriations summarized in Phase II of the study were included in this phase of the study in Tables 10 and 11.

Table 8*CWS Subaccount Realignment Revenue Projections*

County	FY 11/12	FY 12/13	FY 13/14	FY 14/15
Alameda	30,090,783	30,090,783	33,933,280	36,774,338
Los Angeles	220,785,992	220,785,992	247,663,072	265,327,094
Sacramento	34,390,518	34,390,518	38,418,347	41,206,107
San Diego	55,120,044	55,120,044	62,077,731	66,495,446

Source: California Department of Social Services county fiscal letters.

Table 9*CWS Subaccount Realignment Revenue Percentage Change*

County	FY 12/13	FY 13/14	FY 14/15
Alameda	0%	11%	8%
Los Angeles	0%	11%	7%
Sacramento	0%	10%	7%
San Diego	0%	11%	7%

Source: California Department of Social Services county fiscal letters.

Table 10*County CWS Basic Appropriations*

Fiscal year	Alameda	Los Angeles	Sacramento	San Diego
FY 03/04	22,198,504	304,172,941	37,694,572	52,981,176
FY 04/05	21,370,561	193,143,823	35,965,527	50,963,563
FY 05/06	32,193,558	187,635,081	42,118,522	55,510,360
FY 06/07	18,755,293	168,528,591	40,154,521	45,696,224
FY 07/08	21,457,253	193,509,536	42,460,637	52,843,483
FY 08/09	21,457,253	193,509,536	38,186,504	40,763,570
FY 09/10	21,457,253	193,509,536	42,490,694	55,190,087
FY 10/11	21,457,253	193,509,536	42,973,474	55,813,235

Source: California Department of Social Services county fiscal letters.

Table 11*County CWS Basic Appropriations Percentage Change*

Fiscal year	Alameda	Los Angeles	Sacramento	San Diego
FY 04/05	-4%	-57%	-5%	-4%
FY05/06	34%	-3%	15%	8%
FY 06/07	-72%	-11%	-5%	-21%
FY 07/08	13%	13%	5%	14%
FY 08/09	0%	0%	-11%	-30%
FY 09/10	0%	0%	10%	26%
FY 10/11	0%	0%	1%	1%

Source: California Department of Social Services county fiscal letters.

The percentage change in the CWS Basic appropriations in the pre-waiver years in Table 11 shows volatility from year to year. The stabilization of CWS Basic appropriations for the Waiver Counties started in the 2008-09 fiscal year. Participation in the Waiver appears to have had a stabilizing effect for Alameda and Los Angeles counties. The varied fluctuations in the CWS Basic appropriations for the non-waiver counties were consistent until the 2010-10 fiscal year. In contrast the Realigned revenue distribution to the CWS subaccount for all four counties was fairly stable. The percentage changes for Realignment revenue shown in Table 9 also shows consistent growth, which is an indicator of increased capacity and decision-making flexibility. The wide range of decreases in the CWS Basic appropriations for the non-waiver counties help explain limitations regarding the types of strategies articulated in their respective SIPs. Strategies focused on internal process and procedural changes reflect the limited fiscal capacity and flexibility experienced by the non-waiver counties.

To assess the degree to which Waiver counties experienced greater flexibility to adapt to other fiscal policy tools, family reunification case counts were re-evaluated

beginning with the 2010-11 fiscal year. Table 12 shows increasing both Waiver counties experienced growth in their respective Family Reunification case counts. Sacramento county's trend aligned with the Waiver counties. In the four-year comparison, San Diego County was aligned with the waiver counties in the first year of the 2011 Realignment, after which the county experienced a reduction and flattening trend in reunifications. Figure 5 provides a pre and post waiver reunification case count comparison. All the selected counties for this study experienced fluctuations of increasing or slight decreases in family reunification throughout the pre and post waiver years.

Table 12

Family Reunification Case Counts Post Realignment 2011

	Alameda	Los Angeles	Sacramento	San Diego
FY 10/11	225	7,679	781	1,376
FY 11/12	229	7,031	769	1,657
FY 12/13	272	8,273	846	1,291
FY 13/14	308	8,211	1,170	1,201

Source: CWS/CMS 2017 Quarter 1 Extract.

Table 13

Family Reunification Case Count Percentage Change Post Realignment 2011

	Alameda	Los Angeles	Sacramento	San Diego
FY 10/11	-31%	-7%	7%	-0.3%
FY 11/12	2%	-8%	-4%	20%
FY 12/13	16%	18%	10%	-22%
FY 13/14	13%	-1%	38%	-7%

Source: CWS/CMS 2017 Quarter 1 Extract.

Phase 3 Summary

The 2011 Realignment revenue growth provided counties with a degree of stability. This provided an offset to the volatility of the CWS basic appropriation. The

Waiver counties realized greater revenue stability compared to their non-waiver counterparts in fiscal years 2010-10 through 2013-14. What is missing in this analysis is data from each of the counties regarding the extent to which any savings was achieved if 2011 Realignment revenues received exceeded actual expenditures. This data was not available to include in the study. Use of Family Reunification data was inconclusive as a measure to compare decision making flexibility. The assumption was that improved responsiveness to fiscal externalities would be reflected in improved program outcomes such as family reunification. This was difficult to ascertain pursuant to consistent fluctuation of increases and decreases in family reunification experienced by each of the selected counties for the study throughout the pre and post waiver years.

Phase 4

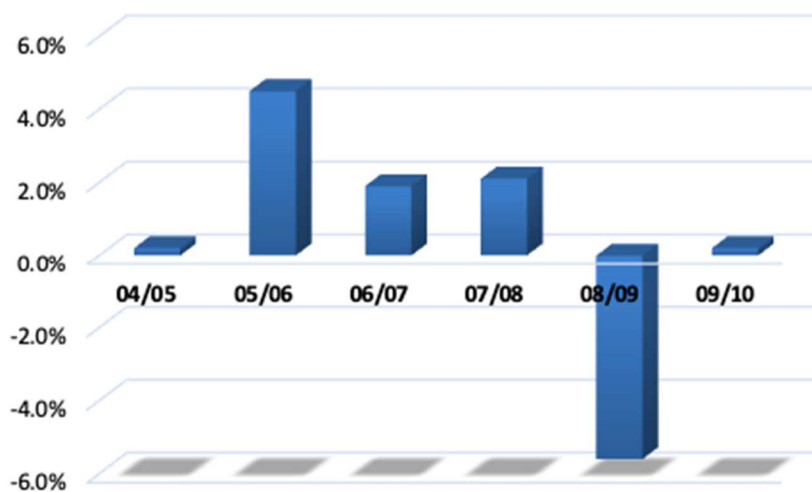
The fourth phase of the study examined the ability of Waiver participant counties to gain flexibility to increase prevention and permanency activities. In addition to enabling increased decision-making flexibility, another core objective of the Waiver program is increasing activities to prevent children from entering the foster care system and facilitating permanency. Current federal and state funding for these kinds of activities is limited. Title IV-B of the Social Security Act authorizes appropriation for a range of services to support and preserve families or to reunite children with their families. (Congressional Research Service) Unlike Title IV-E, which is an uncapped entitlement, Title IV-B is a capped appropriation. Additionally, the service activities related to out-of-home placement eligible for Title IV-E funding are also allowable activities under IV-B.

The interchangeability in the eligibility of services funded between the two provisions of the Social Security Act goes one way. Family strengthening and reunification activities eligible for Title IV-B funds are not eligible for Title IV-E funds. The extent to which prevention and permanency activities expanded, retracted or remained stable are indicators of the impact of participation in the Waiver program. The assumption tested in this portion of the study is whether Waiver counties experienced better outcomes pursuant to having greater capacity and flexibility to increase prevention and permanency activities than non-waiver counties. To complete this analysis re-review of the case load outcome data and decision-making frequencies in Phase I were re-reviewed and compared with State case load estimates reported in either the November Subvention or May Revision Caseload estimates.

The variances in the actual Reunification case counts are difficult to explain since actual experience is unique to each individual case. Therefore, the focus of the analysis is on the change in projected and actual Reunification case counts. Figures 14 and 15 provide a comparison between statewide projected Family Reunification caseload changes with the actual caseload changes experienced by the selected counties for this study. The expectation was that the case load change for the waiver participant counties would show greater increases in Family Reunification. Figure 15 shows waiver participant counties were as likely as non-waiver counties to have varied fluctuation from fiscal year to fiscal year. The statewide projection is averaged aggregated data from all 58 California counties. Actual county experience did not consistently align with the statewide projections.

Figure 17

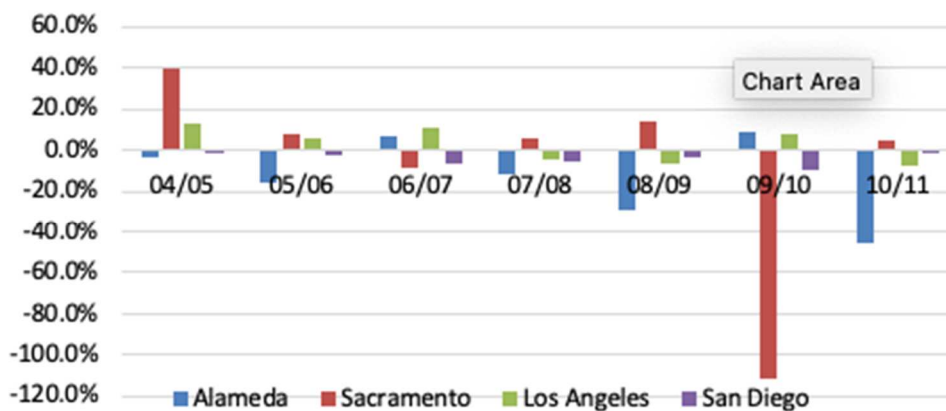
Family Reunification Caseload Change – Statewide Projection



Source: California Department of Social Services November subvention and May revision caseload estimates.

Figure 18

Family Reunification Caseload Change – By County



Source: CWS/CMS 2017 Quarter 1 Extract.

Foster care entries shown in **Figure 2** provides a case count comparison of pre and post waiver years. The assumption is that participation in the Waiver would result in improved reductions in Foster Care entries compared to the non-waiver counties. The Foster Care entry data for both the waiver and non-waiver counties reflected relatively flat case count changes from year to year over the course of the pre and post waiver years selected for this study.

Phase 4 Summary

The assumption was that the decision-making flexibility afforded to the Waiver counties would reflect better program outcomes than their non-waiver counterparts. To test this assumption the actual family reunification and foster care entry data was reviewed and compared with statewide projections. Statewide projections for both program outcome areas are averaged aggregated data for all 58 California counties. Actual county experiences did not align precisely with statewide projections. Pursuant to the varied fluctuations in family reunification and foster care entries it was inconclusive to determine that participation in the Waiver provided participant counties advantage in meeting the F-CSFR program outcome objectives.

Results

Do policy tools such as the Title IV-E Waiver enable greater discretion and flexibility for county welfare agencies?

As administrative arms of the State, County budgets are sensitive to the state and federal resource constraints, since they do not have the ability to borrow that occurs at the state and municipal levels of government. Using the reported strategies as a measure of

decision-making flexibility, the Waiver counties had a higher incidence of planned program expansion and enhancement overall. This is an indicator that participation in the Waiver program helped smooth fluctuations in the availability of resources while programs experienced escalating expenditures. The non-waiver counties had a higher incidence of developing improvements to existing case management practice and process within the parameters of anticipated reductions or unchanged funding levels from year to year. This indicates that the funding constraints of the non-Waiver counties limited decision-making flexibility.

Have waiver counties experienced increased fiscal capacity?

The foster care entry and family reunification case count obtained through the CWS/CMS Dynamic Report System are an aggregation of all placement types. The foster care entry and family reunification case counts were relatively flat over the course of the pre and post waiver years. Placement type influences case management activities. Some placement categories, such group home placements have a higher cost due to mental health provision embedded in this type of congregate care. Disaggregation of the case counts by placement type would provide a comparison among placement categories that would help explain the changes reflected in the data. The flattening of case counts observed for the selected fiscal years of the study, indicates limited fiscal capacity and limited decision-making flexibility to emphasize family strengthening and preventative activities. Although the Title IV-E appropriations for the Waiver counties was capped, they gained a greater degree of fiscal capacity to make program enhancements as evidenced in their planned strategies. For the non-waiver counties, the constraints explain

why the strategies referenced in each respective SIP focused primarily on internal process and case management practice change.

Have Waiver Counties experienced greater flexibility to adjust to other factors affecting fiscal capacity?

The 2011 Realignment revenue growth provided counties with a degree of stability. This provided an offset to the volatility of the CWS basic appropriation. The Waiver counties realized greater revenue stability compared to their non-waiver counterparts in fiscal years 2010-10 through 2013-14. What is missing in this analysis is data from each of the counties regarding the extent to which any savings was achieved if 2011 Realignment revenues received exceeded actual expenditures. This data was not available to include in the study. Use of Family Reunification data was inconclusive as a measure to compare decision making flexibility. The assumption was that improved responsiveness to fiscal externalities would be reflected in improved program outcomes such as family reunification. This was difficult to ascertain pursuant to consistent fluctuation of increases and decreases in family reunification experienced by each of the selected counties for the study throughout the pre and post waiver years.

Are Waiver counties better able to increase prevention and permanency activities?

The assumption was that the decision-making flexibility afforded to the Waiver counties would reflect better program outcomes than their non-waiver counterparts. To test this assumption the actual family reunification and foster care entry data was reviewed and compared with statewide projections. Statewide projections for both program outcome areas are averaged aggregated data for all 58 California counties.

Actual county experiences did not align precisely with statewide projections. Pursuant to the varied fluctuations in family reunification and foster care entries it was inconclusive to determine that participation in the Waiver provided participant counties advantage in meeting the F-CSFR program outcome objectives.

Evidence of Trustworthiness

The data was collected from state and county sources based on required data reporting. The data is available in the public domain. Fiscal data was accessed from the California Department of Social Services, California Legislative Analyst, and each of the respective county websites of the counties selected for this study. Program information reported by the counties was accessed from the California Department of Social Services. Case count data were accessed from the California Child Welfare Services Case Management System dynamic reporting system maintained by the University of California at Berkeley. None of the required data impacted the privacy of individuals since this was a secondary analysis of aggregated data.

Summary

Participation in the Title IV-E Waiver afforded the Waiver participant counties a greater degree of stability to maintain service levels during times of structural deficits and recessionary economic cycles. Non-waiver comparison counties relied on making cost neutral internal process changes to be able to achieve program outcome improvements and maintain consistency in service delivery. Participation in the Title IV-E Waiver increased decision making and fiscal capacity pursuant to the ability to use Title IV-E

funding on preventative and family strengthening activities not normally allowable under the statutory restrictions under Title IV-E.

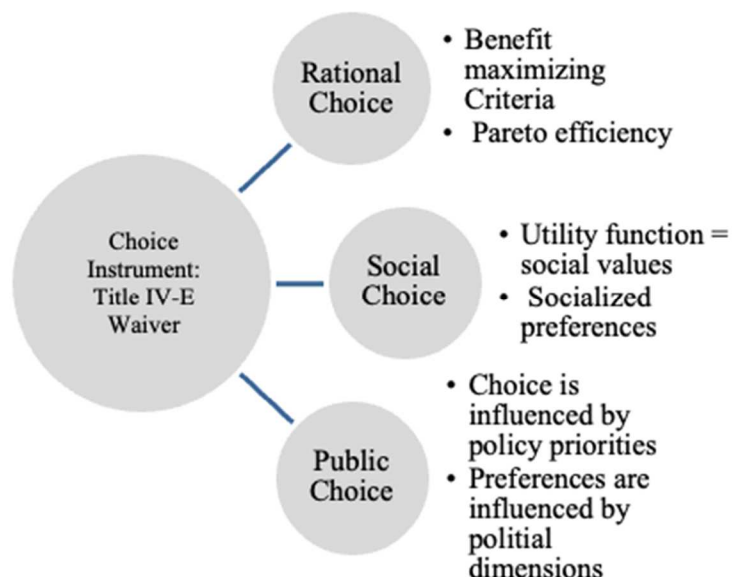
Chapter 5: Discussion, Conclusions, and Recommendations

Introduction

In this study, I explored the problem associated with how public managers reconcile fiscal constraints within a confined decision-making environment. I examined the extent to which policy tools—specifically, the Title IV-E waiver demonstration—enable public managers to effectively meet policy goals within inelastic fiscal and regulatory environments. Choice theories provided the theoretical framework to examine multidimensional aspects of decision making and policy prioritization. An exploratory case study approach was employed to compare the change in fiscal capacity and flexibility of California counties participating in the Title IV-E waiver program with comparable counties that are not.

Interpretations of the Findings

Choice theory provides the conceptual framework for this study. Choice theory is derived from economics to describe utility-maximizing behaviors motivated by self-interest. Applied to the public sector, utility maximization is manifest in politicians seeking power and influence and in bureaucrats acting on interests that serve the organizations they represent. The analysis of the study findings can be summarized within varying dimensions of choice theory.

Figure 19*Choice Instrument – Theory Relationship*

The findings demonstrate that policy tools designed to provide cost control measures that also allow flexibility in use of cost savings within allowable parameters show promise of enabling efficiencies in cost control and service provision. This study was exploratory in nature, creating the foundation for a more in-depth and comprehensive study. Since the end of the initial 5-year Title IV-E waiver pilot, the state of California requested and received federal approval to continue participation in the waiver program. Additional counties have since elected to participate in the waiver program, two of which are the nonwaiver counties in this study (Sacramento and San Diego).

Rational Choice

The prescriptive dimensions of choice in this study are understood through the program evaluation process (PQCR, CAS, and SIP). Each of these evaluative steps

provide a structured mechanism for service delivery decision making aligned with regulatory requirements and outcome goals. The program evaluation process results in a formalized and documented plan for action. The descriptive dimension demonstrating how choice is made is evidenced by these reports. Funding volatility is the final determining factor driving final implementation of choice, which is a capacity indicator.

In Phase 1, it was expected the waiver would enable greater flexibility and capacity to exercise choice. Review of the program evaluation reports revealed a pattern of service objectives shared among the counties selected for the study. These service goals serve as the choice criteria for decision making. Federal service benchmarks comprise some of the benefit maximizing criteria influencing service delivery priorities. Constraints on resources is the other influencing factor on service priorities.

Social Choice

The utility function of social choice dimension of this study is based on social values and well-being. The federal service benchmarks represent the utility function of CWS, specifically to keep children safe from harm and to facilitate family reunification and family stability. TDM and SDM processes are mechanism through which activities to maximize child well-being are determined. The inclusion of parents and extended family in TDM activities reflects the value of family relationships. The use of successful evidence practices, such as TDM and SDM, are examples of decision-making tools to ensure pareto efficiency.

Public Choice

Entitlement programs, such as AFDC, which was previously uncapped, were transformed by welfare reforms efforts. PRWORA of 1996 transitioned the AFDC program to a capped block grant with time limits to receive benefits and that included work requirements. PRWORA represents the policy objective to increase the efficiency of bureaucratic institutions and contain the growth, if not shrink bureaucracy. The Title IV-E waiver is a policy tool to demonstrate another use of this approach. Transitioning Title IV-E from an uncapped entitlement to a capped block grant will facilitate fiscal reprioritization, while continuing to support child well-being policies.

Limitations of the Study

The primary limitation of this study was the exploratory nature of this research. An exploratory approach was warranted because only two out of 58 California counties were participating in the Title IV-E waiver. Since the ending of the initial pilot period of California's implementation of the waiver program, additional counties have become waiver participants. A follow-up study incorporating the new county participants would yield more robust analysis. Additionally, the Title IV-E waiver has several components in which states may opt to participate. Of the states with demonstration projects in place, participant states have not selected all the same waiver components to implement. A more comprehensive comparison of how specific components of the waiver are proving to be successful, as well as the reasons for the lack of success, is recommended for future research.

Recommendations

This study contributes to budgetary-focused research by providing another example of fiscal capacity and decision making driven by institutional arrangements (Fatas & Mihov, 2006; Lowi, 1972). Counties are delegated the responsibility of the state to administer and implement programs, such as CWS, which are outcomes of legislative action at the federal level. Fiscal capacity in the case of CWS is bound by the regulatory provisions of Title IV-E and other sections of the Social Security Act. The elasticity of fiscal capacity and decision-making flexibility are bound by budget prioritization occurring through federal and state budget processes. Participation in the Title IV-E waiver shows promise in providing a greater degree of resource stability in times of structural deficits and during recessionary cycles. Further study should be conducted to see if the stabilizing effect of waiver participation continued after expiration of the state hold harmless provision.

This study adds to jurisdictional–institutional comparative research that focuses on issues of instrumentality (processes and procedures) used to implement policy priorities. North (1996) asserted that the incremental nature of bureaucratic constructs alters neoclassic theories of rational instrumentality in that institutions and the politicized fiscal processes act as constraints to efficiency. Among the measures of efficiency in CWS provision is reducing entries into the foster care system and increasing reunification of children with families. The caseload data showed that both waiver and nonwaiver counties were able to improve service delivery outcomes based on changing case management practices. However, the waiver counties were able to demonstrate a greater

degree of outcome improvements than their nonwaiver counterparts. Gains in funding and decision flexibility are evidenced in the higher incidence of reported contracted community partnerships to expand family strengthening and preservation services by the waiver counties. This also suggests the significance in the relationship between fiscal capacity and constraints on service provision priorities. Additional research should be conducted to evaluate whether the variance in improved outcomes between waiver and nonwaiver counties held constant during upturns in the economic cycle.

The ad hoc or incremental nature of decision making in the public sector is often considered a hallmark of inefficiency and lack of effectiveness, and yet, this characteristic in public sector management persists. This study adds to the body of research on the effect of incrementalism on fiscal space. (Hall, 2008; Hou & Moynihan, 2007; Schick, 2009) The flexibility afforded by the Title IV-E Waiver provided the waiver counties with a greater degree of fiscal space and capacity to allocate resources to expand services than non-waiver counties. Further study should be done to evaluate if this continued to hold true in an environment of revenue surplus or constraints resulting from policy decisions that address competing policy priorities.

The caseload data showed that both waiver and nonwaiver counties were able to improve service delivery outcomes based on changing case management practices. However, the waiver counties were able to demonstrate a greater degree of outcome improvements than their nonwaiver counter parts. Gains in funding and decision flexibility is evidenced in the higher incidence of reported contracted community partnerships to expand family strengthening and preservation services by the waiver

counties. This also suggests the significance in the relationship between fiscal capacity and constraints on service provision priorities. Unlike their waiver counterparts, the non-waiver counties system improvement plan strategies focused primarily on changing internal casework practice. Participation in the Title IV-E waiver shows promise in providing a greater degree of resource stability in times of structural deficits and during recessionary cycles.

Implications

Social service provision is delegated to counties. This responsibility is unique to county administration. Although all counties are subject to complying with federal and state regulations governing social service provision, counties are able to exercise a degree of discretion in how county welfare agencies are functionally organized and in determining how to best leverage funding sources to maximize service provision. Title IV-E is the primary funding source for CWS, which focuses predominantly on the placement of children in out of home care. The implication for social change is how the Title IV-E Waiver represents a programmatic paradigm shift. It does this by facilitating social work practice that emphasizes strengthening families to avoid out of home placement, or by keeping children with extended family.

Conclusion

The Choice theory perspective of self-serving politicians and bureaucrats assumes that those behaviors are propelled by individual preferences. In a representative Democracy, authority is delegated through elections and the legislative process that creates bureaucratic mechanisms. Pursuant to this, the interests of elected officials reflect

the constituencies who have delegated authority to act on their behalf. Similarly, bureaucratic organizations are delegated the authority to carry out serving the interests of the constituencies residing within the jurisdictions they are legislatively mandated to serve. In addition to being responsive to constituent interests, utility maximizing behavior of bureaucracies is influenced by statutory requirements linked with programs, allowable uses of funding, and expected program outcomes.

Bureaucratic organizations operate within a complex economic environment. Layers of different policy responses to cyclical economic fluctuations provide a type of externality that constrains utility maximization. Participation in the Title IV-E Waiver provided opportunity to circumvent statutory restrictions on the use of funds for family strengthening support and program outcome improvements. However, the multitude of policy maneuvers to address structural deficits during state budget adoption processes, creates the condition in which utility maximizing behaviors equates to seeking pareto efficiency. The potential to control costs and gain discretion necessary to make service delivery and program outcome improvements afforded by the Title IV-E Waiver were diminished by other policy prioritization decisions, such as the State's decision to utilize incremental revenue growth to pre-pay bond issuance debt.

The findings of this study suggest that further research on the interplay of multiple policy tools effect on local government fiscal capacity and compliance with mandated service outcome expectations is needed. Additional research should focus county government. Counties have the least flexibility to respond to cyclical economic downturns than state and municipal governments.

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Appendix A: Title IV-E Waiver Participant Survey

The primary focus of this research is on the fiscal effect of capping what is normally an uncapped entitlement. The purpose of this survey is to gain insight on potential gains or losses to participant Counties in the Title IV-E Waiver demonstration.

Goals of the State of California Waiver demonstration:

To improve the array of service for children and families and engage families through more individualized approach that emphasizes family involvement.

- **To increase child safety without an over-reliance on out-of-home care;**
- **To improve permanency outcomes and timelines; and**
- **To improve child and family well-being.**

1. How did the County utilize the capped allocation of Title IV-E funds to expand and improve child welfare programs in the following areas:
 - Early intervention services
 - Crisis intervention services
 - Intensive child welfare services
 - Permanency services
2. Did the expansion of existing programs or new program initiatives require a county over match? (County general funds above the capped Title IV-E funding)
3. Has the County had past practice of over matching funding for child welfare services prior to the waiver?
4. If yes to #3, has the county over match increased, decreased or stayed the same since participation in the waiver?
5. If the expansion of programs required resources beyond the capped allocation what were the factors influencing funding priorities?
 - Availability of county general funds
 - Other County service priorities
 - Other (please describe)
6. Has the 20110 Realignment had a negative, positive or neutral effect on the County's ability to meet waiver goals?
7. Is the County using other funding sources to leverage fiscal flexibility under the waiver?
8. Please describe how the County has been able to leverage other funding sources to maximize waiver flexibility.
9. What is the approximate amount of funding in each of the five years of the Waiver demonstration that was spent to serve children & families who would normally not be IV-E eligible?

Appendix B: Non-Title IV-E Waiver County Survey

The primary focus of this research is on the fiscal effect of capping what is normally an uncapped entitlement. The purpose of this survey is to compare gains or losses to Non-Waiver Counties

Goals of the State of California Waiver demonstration:

To improve the array of service for children and families and engage families through more individualized approach that emphasizes family involvement;

• To increase child safety without an over-reliance on out-of-home care;

• To improve permanency outcomes and timelines; and

• To improve child and family well-being.

10. How did the County utilize available funding to expand and improve child welfare programs in the following areas:
 - Early intervention services
 - Crisis intervention services
 - Intensive child welfare services
 - Permanency services
11. Did the expansion of existing programs or new program initiatives require a county over match? (County general funds above allocated funding)
12. Has the County had past practice of over matching funding for child welfare services?
13. If yes to #3, has the county over match increased, decreased or stayed the same over the course of FY 2007-08 through FY 2010-11?
14. If the expansion of programs required resources beyond allocated funding what were the factors influencing funding priorities?
 - Availability of county general funds
 - Other County service priorities
 - Other (please describe)
15. Has the 20110 Realignment had a negative, positive or neutral effect on the County's ability to meet goals to improve meeting the referenced goals?
16. Is the County using other funding sources to leverage fiscal flexibility?
17. Please describe how the County has been able to leverage other funding sources to maximize flexibility.
18. What is the approximate amount of funding in FY 2007-08, FY 2008-09, FY 2009-10, and FY 2010-11 that was spent on services that are typically IV-B eligible?

Appendix C: Data Sources for Document Analysis

Data Sources	Description of Data	Use of Data
<p>SOC 405E - Exit Outcomes for Youth Aging Out of Foster Care Quarterly Statistical Report http://www.cdss.ca.gov/research/PG299.htm</p>	<p>quarterly report collects information on county supervised foster youth (child welfare and probation) and non-dependent non-related legal guardian youth, regardless of county of placement, who in the report quarter exited supervised foster care placement due to attaining age 18 or 19, or those foster youth under age 18 who were legally emancipated from foster care pursuant to Family Code Section 7000.</p>	<p>The data provided a comparison of children exiting the system prior to and after the Title IV-E Waiver implementation.</p>
<p>CWS/CMS2 - Child Welfare Services/Case Management System - Characteristics of Children in Out-of-Home Care http://www.cdss.ca.gov/research/PG299.htm</p>	<p>This monthly report provides information on children in out-of-home care statewide and for each county. It shows the characteristics of the children, including age, gender, ethnicity, type of placement home, funding source, agency responsible, number of cases that were terminated and reason for termination. The data for the report are drawn from an extract that is created on the last day of each month from the Child Welfare Services/Case Management System (CWS/CMS).</p>	<p>The data provided a comparison of caseload changes prior to the implementation of the Title IV-E Waiver and after implementation. The data to be analyzed includes: Caseload counts Caseload by out of home placement type Changes in case counts and out of home placement type will be compared to the Title IV-E objectives and measures.</p>
<p>Child Welfare Dynamic Report System http://cssr.berkeley.edu/ucb_childwelfare/</p>	<p>This is a publicly accessible database that tracks child welfare services statistical information for the State of California.</p>	<p>Data regarding family reunification, family maintenance, permanent placement, and emergency response were analyzed and compared with Title</p>

		IV-E objectives and measures.
<p>County-Specific Outcome Spreadsheets (.xls File) by County http://cssr.berkeley.edu/ucb_childwelfare/Ccfsr.aspx</p>	<p>These spreadsheets contain the data that are included in the California Child Welfare Outcomes and Accountability System quarterly reports and, in the child welfare files, additional tabs that include graphs of the measures, ways to compare performance over time, composite views, etc. In order to understand any measure, it is necessary to review it in the context of the entire cycle of measures, performance over time, and performance stratified by age, ethnicity, and gender. Please visit the additional tables that contain these data and more.</p>	<p>Performance data from the waiver and selected on waiver counties were compared. The time frames were be four years prior to implementation of the IV-E Waiver, and the first four years of implementation.</p>
<p>Disparity Indices http://cssr.berkeley.edu/ucb_childwelfare/DisparityIndices.aspx</p>	<p>These reports examine the degree to which groups of children have contact with the child welfare system at higher or lower rates than their presence in the general population.</p>	<p>The data were used to compare how targeted efforts outlined in each of the waiver counties pre and post Title IV-E Waiver.</p>
<p>Maps/Geo Data Reports http://cssr.berkeley.edu/ucb_childwelfare/MapsGeoData.aspx</p>	<p>These maps use Geographic Information Systems (GIS) software to display rates of occurrence for different levels of child welfare system contact—allegations, substantiations, entries, and in care counts by county and race/ethnicity.</p>	<p>The data were used to compare changes in the rates of levels of care pre and post waiver implementation.</p>
<p>Child Population Index</p>	<p>These reports summarize the California Department of Finance annual population</p>	<p>This site was a source for general demographic information regarding</p>

http://cssr.berkeley.edu/ucb_childwelfare/population.aspx	projections by county and by age, race/ethnicity, and gender.	children in the Waiver counties.
California Program Improvement Plan (PIP) http://www.childsworld.ca.gov/pg1523.htm	Pursuant to federal requirements, California submits this Program Improvement Plan in response to findings presented in the U.S. Department of Health and Human Services Children's Bureau Report on California's Child and Family Services Review (CFSR).	Service delivery outcomes reported in the PIP were compared with the reported outcome data in the Title IV-E Waiver outcome reports.
County Specific Outcome and Accountability Reports http://www.childsworld.ca.gov/PG1358.htm	Provides statistical data measuring county specific outcome data against the outcome and performance measures outlined in the PIP.	County specific service delivery outcomes reported in the PIP were compared with the reported outcome data in the Title IV-E Waiver outcome reports.
Peer Quality Case Review Reports County Specific System Improvement Plans County Self-Assessment http://www.childsworld.ca.gov/PG1419.htm	Provides statistical data measuring county specific outcome data against the outcome and performance measures outlined in the PIP.	Peer review findings were compared with the reported service delivery outcomes in the Title IV-E Waiver outcome reports.
System Improvement Guide County Self-Assessment Guide http://www.childsworld.ca.gov/PG1356.htm#D	Instructions provided to the California counties to guide the development of county specific plans and reports to comply with the Child Welfare System Improvement and Accountability Act (AB 636).	This document was reviewed for performance outcome measures. These measures were compared with the Title IV-E Waiver goals and outcome reports from the Waiver counties.
Child Welfare Federal IV-B Plans and Reports	County specific plans and reports required to comply	County specific service delivery outcomes

<p>Children & Family Service Plans (CFSP) Annual Progress and Services Report (APSR) http://www.childsworld.ca.gov/PG1995.htm</p>	<p>with the Child Welfare System Improvement and Accountability Act (AB 636).</p>	<p>reported in these reports were compared with outcome data in the Title IV-E Waiver outcome reports.</p>
<p>County Fiscal Letters All County Information Letters http://www.dss.cahwnet.gov/lettersnotices/PG960.htm</p>	<p>State letters issued to counties provided funding allocations and estimates, and other programmatic updates.</p>	<p>Changes in funding levels pre and post Title IV-E Waiver were compared.</p>
<p>U.S. Department of Health & Human Services Children's Services Bureau http://www.acf.hhs.gov/programs/cb/programs/child-welfare-waivers https://cbexpress.acf.hhs.gov/index.cfm?event=website.viewArticles&issued=142&sectionid=1&articleid=3750</p>	<p>Webpage provides background information about the IV-E waiver demonstration project, including reports on past and current waiver participants.</p>	<p>This site was used to obtain background information about the Title IV-E Waiver demonstration, including the various service components that States can elect to focus efforts on.</p>

Appendix D: Data Analysis Plan

Phase I	Do policy tools such as the Title IV-E Waiver enable greater discretion and flexibility for county welfare agencies?
Step One	Collect program implementation documents California -Child and Families Service Review (C-CFSR) Performance Improvement Plan (PIP) County Self Improvement Plans (SIP) County Outcome and Accountability Reports (SIP outcomes) State Title IV-B Four Year Plans Peer Quality Case Review (PQCR) County Assessments
Step Two	Review documents using Atlas-ti and code relevant data as follows: New Initiatives = Increased discretion Reductions in services = Decreased discretion No changes = Neutral discretion
Step three	Summarize coded data in matrix
Phase II	Have Waiver counties experienced increased fiscal capacity?
Step One	Collect county fiscal reports and other funding related documents County Assistance Claims Reports from the County Expense Claim (CEC) County Fiscal Letters (CFL)
Step Two	Review documents using Atlas-ti and code relevant data as follows: Funding and Allocation Increases = Increased fiscal capacity Funding and Allocation Decreases = Decreased fiscal capacity Status Quo Funding and Allocations= Neutral fiscal capacity
Step Three	Summarize coded data in matrix
Phase III	Have counties experienced greater flexibility to adjust to other factors effecting fiscal capacity?
Step One	Re-review documents collected in Phase I and II
Step Two	Conduct coding of data
Step Three	Summarize coded data in matrix
Phase IV	Are counties able to increase prevention and permanency activities?
Step One	Re-review the relevant documents collected in Phase One.
Step Two	Collect pre and post Title IV-E reports and service delivery plans not included in Phase One such as waiver approval proposals and caseload information. Collect pre and post Title IV-E reports and

	service delivery plans not included in Phase One such as waiver approval proposals and caseload information.
Step Three	Atlas-ti will be used for the document review process and coding. Data that supports increases in prevention and permanency activities will be coded as such. Data reflecting decreases or constraints to increasing prevention and permanency activities will be similarly coded. Data that indicates no change will be coded as neutral.
Step Four	Summarize coded data in matrix

Phase V	Questionnaire Determine if data summaries indicate sufficiency in answering the research questions.
Step One	Revise questions in accordance with the information needed/not contained in the reviewed documents
Step Two	Create questionnaire in electronic survey instrument (Survey Monkey)
Step Three	Send out invitation to targeted county officials to complete survey.
Step Four	Retrieve survey results and code responses accordingly
Step Five	Update appropriate data matrices.

Final Phase	Analysis and Summary of Findings
The data will be summarized and synthesized with the research questions outlined for this study:	

Appendix E: Sample Data Summary Matrix

Phase I			
Question: Do policy tools such as the Title IV-E Waiver enable greater discretion and flexibility for county welfare agencies?	Document Reviewed	Data Selected	Data Code
Phase II			
Question: Have Waiver counties experiences increased fiscal capacity compared to non-Waiver counties?	Document Reviewed	Data Selected	Data Code
Phase III			
Question: Have Waiver counties experienced greater flexibility to adjust to other factors effecting fiscal capacity compared to non-waiver counties?	Document Reviewed	Data Selected	Data Code
Phase IV			
Question: Are Waiver counties more successful than non-waiver counties to increase prevention and permanency activities than non-waiver counties?	Document Reviewed	Data Selected	Data Code

Phase I	Code
Revenue/Allocation increase	1
Revenue/Allocation decrease	2
No change Revenue/Allocation	0
Phase II	Code
Reduction in Service	1
Increase in Service	2
No change in service	0
Phase III	Code
Increased fiscal capacity	1
Decrease in fiscal capacity	2
No change fiscal capacity	0
Phase IV	Code
Increase in decision flexibility	1
Decrease in decision flexibility	2
No change in decision flexibility	0

The data in each Phase will be summarized in a frequency table

Appendix F: Sample Conflict of Interest Disclosure

Date
Agency Name
Name, Title
Address
City, State Zip

SUBJECT: Conflict of Interest Disclosure

Dear _____:

The purpose of this letter is to inform you that as a doctoral student with Walden University, I am conducting a study for my dissertation examining the extent to which policy tools facilitate cost control and decision making flexibility. My study will employ an exploratory case study approach to compare the differences in fiscal capacity and flexibility of California counties participating in the Title IV-E Waiver program with selected non-participant counties. The case study method will be conducted through extensive secondary document analysis of fiscal and program data available from state and county sources.

Pursuant to Institutional Review Board guidelines that govern the research process and research ethics, this letter also serves to provide you with assurance that this study should not pose a conflict of interest with my position with the agency. First, San Joaquin County is not included in the study. Second, all activities related to this study will take place outside of my work hours. Last, the study is based on secondary data that is available in the public domain via the World Wide Web or will be requested directly from the agencies that will be included in the study. The forms regarding county/agency confidentiality and computer use policies that I have signed and are on file with HSA Personnel also serve as acknowledgements that I understand the expectations and limitations set forth in these policies.

As part of the Institutional Review Board (IRB) process to move forward with my study, I am required to provide acknowledgement that disclosure was provided to you and that there are no objections or concerns that the study presents a conflict of interest concern. I will be happy to answer any questions you have regarding the study and have attached a copy of the study proposal for your review.

Sincerely,

Appendix G: Sample Letter of Request for Cooperation

Date
Agency Name
Name, Title
Address
City, State Zip

SUBJECT: Request for Agency Cooperation

Dear _____:

My name is _____. I am a doctoral student with Walden University.

I am conducting a study for my dissertation examining the extent to which policy tools facilitate cost control and decision-making flexibility. My study will employ an exploratory case study approach to compare the differences in fiscal capacity and flexibility of California counties participating in the Title IV-E Waiver program with selected non-participant counties. The case study method will be conducted through extensive secondary document analysis of fiscal and program data available from state and county sources.

The cases comprising my study are Alameda and Los Angeles counties, since they are the only two counties participating in the waiver project. The non-waiver counties that I have selected as a comparison are Sacramento and San Diego.

The purpose of this letter is to inform you of my research endeavor and to request cooperation from your agency in regard to obtaining other information that will be relevant to the study but not accessible or available in the reports that can be obtained on the California Department of Social Services Research and Reports web link, U.C. Berkeley's CWS/CMS Dynamic Report System, or county specific web sites.

Second, if information gaps are revealed upon completion of the document analysis, I anticipate asking each of the counties referenced above to complete a questionnaire. I have attached a sample questionnaire for your review. The actual questionnaire will be tailored to address the gaps in the data identified from the document analysis.

A copy of my research proposal which provides more detail on the rationale and structure of my study is attached for your review. As part of the Institutional Review Board (IRB) process to move forward with my research study, I am required to secure a signed agreement of cooperation. A copy of which is also attached for your review and signature. In appreciation of your cooperation a copy of the completed study will be provided to you.

If you have any questions I can be contacted at (000) 000-0000 or by email at student@waldenu.edu. Your consideration and agreement to my request is very much appreciated.

Sincerely,

Appendix H: Sample Cooperation Agreement

Agency
Name, Title
Address
City, State ZIP
Date
Dear _____,

Based on my review of your research proposal, I give permission for you to conduct the study entitled Fiscal Capacity and Decision-Making Flexibility through Policy Tools: An Analysis of the Title IV-E Waiver which will include the Alameda County Social Services Agency. As part of this study, I acknowledge that your study will include fiscal information and case count statistics that excludes personally identifiable information of clients. I also understand the study will be based on analysis of secondary data, most of which is available in the public domain or accessible pursuant to the public records request process.

I understand that our organization is not being asked to make accommodation for the study to take place within the agency. My understanding is that the Agency’s participation may be in the form of providing fiscal information and case count statistics as referenced above, and cooperation to respond to questions in a survey format. We reserve the right to withdraw from the study at any time if our circumstances change. I confirm that I am authorized to approve cooperation with the researcher.

I understand that the data collected will remain entirely confidential and may not be provided to anyone outside of the research team without permission from the Walden University IRB.

Sincerely,

Signature of Authorizing Official

Title of Authorizing Official

Contact Information

Date

Cc: Walden University Institutional Review Board

Appendix I: Sample Request for Support

Date
Agency/Organization
Name, Title
Address
City, State Zip

SUBJECT: Request for Support

Dear _____:

My name is _____. I am a doctoral student with Walden University. I am conducting a study for my dissertation examining the extent to which policy tools facilitate cost control and decision-making flexibility. My study will employ an exploratory case study approach to compare the differences in fiscal capacity and flexibility of California counties participating in the Title IV-E Waiver program with selected non-participant counties. The case study method will be conducted through extensive secondary document analysis of fiscal and program data available from state and county sources.

The purpose of this letter is to inform you of my research endeavor and to request a letter of support from the County Welfare Directors Association. I believe that an endorsement from CWDA will benefit this endeavor and encourage cooperation from the county welfare agencies selected to comprise the cases for the study. I anticipate the use of a survey-questionnaire, as well as requesting information necessary for a complete analysis.

A written endorsement for my study will strengthen the disclosure due diligence that I am required to demonstrate as part of the Institutional Review Board (IRB) process to move forward with my research. A copy of my research proposal which provides more detail on the rationale and structure of my study is attached for your review.

If you have any questions I can be contacted at (000) 000-0000 or by email at student_name@waldenu.edu. Your consideration and agreement to my request is very much appreciated.

Sincerely,

Appendix J: Sample Informed Consent Form

You are invited to take part in a research study of to examine the extent to which policy tools facilitate cost control and decision-making flexibility. The researcher is inviting California counties participating in the Title IV-E Waiver and counties with closely comparable foster care caseload volume not participating in the Title IV-E Waiver to be in the study. This form is part of a process called “informed consent” to allow you to understand this study before deciding whether to take part.

This study is being conducted by a researcher named Laura Mayate-DeAndreis, who is a doctoral student at Walden University. The researcher is a Management Analyst with the San Joaquin County Human Services Agency, but this study is separate from that role.

Background Information:

The purpose of this study is to compare the differences in fiscal capacity and flexibility of California counties participating in the Title IV-E Waiver program with selected non-participant counties utilizing a case study approach.

Procedures:

If you agree to be in this study, you will be asked to complete a 20-minute on-line questionnaire through Survey Monkey designed to address the following research questions:

- Do policy tools such as the Title IV-E Waiver enable greater discretion and flexibility for county welfare agencies?
- Have Waiver counties experienced increased fiscal capacity?
- Have Waiver counties experienced greater flexibility to adjust to other factors affecting fiscal capacity?
- Are Waiver counties able to increase prevention and permanency activities?

Voluntary Nature of the Study:

This study is voluntary. Your decision of whether or not you choose to participate in the study will be respected.

Risks and Benefits of Being in the Study:

There are no anticipated risks or discomforts from participating in the study. The questions are tailored to obtain clarification on data that is already accessible in the public domain pursuant to county statistical information from the California Department of Social Services website, county child welfare system improvement plans on state/county webpages or the UC Berkley Child Welfare Dynamic Report System.

There will be no cost to you if you participate in this study.

There may be no personal benefit from your participation, but the knowledge received may be of value to public administrators and child welfare policy makers by providing insight on the use of policy tools to effectuate efficiencies in fiscal decision-making processes.

Your participation is voluntary. Refusal to participate or withdrawal of your consent or discontinued participation in the study will not result in any penalty or loss of benefits or rights to which you might otherwise be entitled.

Payment:

You will not receive any monetary compensation for your participation in this study.

Privacy:

Any information you provide will be kept confidential. The researcher will not use your county’s information for any purposes outside of this research project. Data will be kept secure by storage

on the researcher's password protected computer and in a portable external hard drive to enable accessibility should there be technical failure from a desktop or laptop computer. This data will also be backed up utilizing cloud storage such as Drop Box or Sky Drive, which is encrypted, and password protected.

Data will be kept for a period of at least 5 years, as required by the university.

Contacts and Questions:

You may ask any questions you have now. Or if you have questions later, you may contact the researcher via phone at (000) 000-0000 or by email at student@waldenu.edu. If you want to talk privately about your rights as a participant, you can call Dr. Leilani Endicott. She is the Walden University representative who can discuss this with you. Her phone number is (000) 000-0000. Walden University's approval number for this study is **IRB will enter approval number here** and it expires on **IRB will enter expiration date.**

Please keep this consent form for your records.

Statement of Consent:

I have read the above information and I feel I understand the study well enough to make a decision about my involvement. By clicking on the link below, I understand that I am agreeing to the terms described above.

<http://PLACE HOLDER FOR SURVEY MONKEY LINK>