



# Rethinking the State-Local Relationship: Child Welfare Services

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## Summary

Governor Jerry Brown and the state legislature are currently considering a reorganization of state and local responsibilities for child welfare services, with more responsibility potentially going to localities—particularly, to county social services departments. Right now, counties already administer and partly fund child welfare programs, and the state provides oversight along with additional funding. The federal government also plays a role, imposing performance reviews and providing yet a third, significant source of funding.

Rethinking these governmental relationships requires careful attention. As with corrections and other program areas under consideration for realignment, sound principles should guide the balancing of state and local responsibilities. State and local policymakers will need to weigh the need for statewide equity alongside the encouragement of local values and priorities while keeping in mind the federal government's large role in child welfare services.

Funding concerns—including the degree of flexibility counties will have to spend newly realigned funds—are a particular concern. Here again, the federal role is key—and marks a significant constraint in the ability of both the state and the counties to manage resources and find innovative solutions. However, if realignment can achieve some increased efficiencies in expenditures, then outcomes may well improve for California's at-risk children. To support this goal, the state and counties can work together on four key actions:

**Creating meaningful local flexibility.** State policymakers can consider how best to give counties discretion in use of realigned funds to help them accomplish state goals.

**Identifying core outcomes.** State and local policymakers can work together to define a core set of outcome measures for which the state will hold all counties accountable.

**Addressing federal funding constraints.** California can work with other states, and the federal government, to seek greater flexibility for federal funds.

**Integrating with other social service programs.** In the long term, better program coordination—a substantial challenge—holds the promise of achieving better outcomes for California's at-risk children.

To advance the realignment of child welfare services significantly, California policymakers must ultimately work to alter the federal-state relationship. But state and local governments can still effect meaningful change, acting together to promote local innovation, create program efficiencies, and ensure statewide equity to improve child welfare services in the state.

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# Introduction

This report is part of a PPIC series that examines “realignment” — that is, the reorganization of state and local responsibility for programs and services — and focuses particularly on child welfare programs. These include both government efforts to prevent child abuse and neglect, and government actions taken once a health or social services professional, teacher, police officer, or community member has reported maltreatment.

Currently under consideration is a realignment of these programs and services, shifting more responsibility from the state to county social services departments. Governor Jerry Brown focused policymakers’ attention on this idea by including it in his wide-ranging realignment proposal, laid out in January 2011 and updated in February and May. The programs proposed for realignment include foster care and child welfare services, and certain aspects of corrections. As proposed, policy-makers would consider reshaping state-local roles in a number of other social services programs (including CalWORKs, CalFresh, and child support) later.

The proposal has two key features:

- Commits a state source of funds — originally envisioned to be voter-approved extensions of two-year sales tax and Vehicle License Fee increments for five additional years — to counties to pay for realigned programs, including child welfare services. The state share of the cost in child welfare programs would drop from current levels (depending on the program, between 50% and 75%) to zero (Legislative Analyst 2011).
- Amends the California constitution to obligate the state to ongoing funding of realigned programs and to specify that realigned programs as they exist in 2011 are not reimbursable state mandates — that is, counties could not request additional state dollars to meet the costs of running those programs. (Certain types of state and federal changes made in the future would be reimbursable mandates.)

The proposal for child welfare services calls for giving counties “as much flexibility as possible to operate the program and best serve vulnerable children” (Brown 2011a, 25).

Reshaping state-local relationships raises serious issues that center on achieving the core promise of realignment: better governance. In the context of child welfare this means better use of existing resources to achieve improved outcomes for at-risk children. In certain ways the current proposal is a further step in an established direction, but it also raises critical questions about defining the scope of funding flexibility for counties and balancing local and statewide priorities.

Throughout the following discussion, it is useful to keep in mind that child welfare services are already a shared responsibility across multiple levels and branches of government:

- Each county designs programs to avert abuse and neglect, assesses reports of maltreatment, and supervises out-of-home foster care placements.
- The state legislature sets the legal definition of abuse and neglect and outlines top-level steps that counties must take to identify and respond to such maltreatment. State lawmakers also create specific programs to address statewide priorities, and they determine payment schedules for the different categories of out-of-home caregivers annually.

- In the state executive branch, the Children and Family Services Division of the Department of Social Services oversees county operations and manages state and federal performance reviews, currently the key official means of gauging the success of child welfare programs.<sup>1</sup>
- The state judiciary (in the guise of Juvenile Dependency Courts) makes determinations to remove abused or neglected children from their families and approves their return—or transfers parental responsibilities to legal guardians or adoptive parents in cases where children cannot safely return to birth parents.<sup>2</sup> The current realignment proposal leaves only the state judicial role unaltered.
- The federal government dictates the content of required periodic reviews of foster care and adoption programs.<sup>3</sup> The federal government’s sole formal point of contact is the state Department of Social Services, and it obliges the state to be responsible for creating the conditions for successful statewide performance in child welfare programs.

Funding is also shared: Close to half comes from the federal government, about 30 percent from the state, and a little over 20 percent from counties.<sup>4</sup>

Realigning child welfare services will entail taking additional steps to refine the desired scope of realignment and define the steps necessary to implement a collective vision. Practically speaking, this means both thinking through the current nature of intergovernmental relationships and considering the possibilities for altering those relationships. Doing so will increase the chances of demonstrable success in improving outcomes for at-risk children.

This examination of the state-local relationship in terms of child welfare programs follows a framework similar to the other reports in this PPIC series. First, we provide some background on California’s child welfare programs, focusing on two key elements for understanding current state-local relations. Next, we discuss several principles useful for thinking through how responsibilities may best be divided between the state and local governments. We then discuss funding matters and identify key constraints to any state realignment efforts in the area of child welfare. Finally, we conclude the discussion by outlining several actions critical to a successful realignment of California’s child welfare programs.

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<sup>1</sup> The Children and Family Services Division also licenses foster care providers, determines rates for foster care group homes and foster family agencies, which vary depending on the intensity of services they provide, and handles some adoptions (others are carried out by local public adoption agencies and by private agencies). Under the governor’s proposal, these roles would remain largely unchanged, although responsibilities for adoption services would shift somewhat.

<sup>2</sup> Courts also carry out legal emancipations if a child remains in foster care until reaching adulthood.

<sup>3</sup> As we discuss in more detail below, the federal government has established eligibility rules that exclude about 30 percent of all children who enter foster care in California. The state and counties share the entire cost of assistance payments and services provided to these children.

<sup>4</sup> About 10 percent of all children and youth in foster care are involved with the criminal justice system and are therefore supervised by county probation departments rather than county child welfare departments. Funding for this group is also a shared responsibility across levels of government.

# Background

In California, child welfare services are made up of government programs that aim to prevent child abuse and neglect, to address its occurrence, and to guarantee a last-resort safety net for children who cannot remain safely with their families. A substantial number of California children come into contact with county child welfare departments. Of the roughly ten million children in the state, approximately half a million are reported to county child welfare departments each year for suspected maltreatment—the majority for neglect—and counties determine that approximately 100,000 of these reports meet the legal definition of abuse or neglect.<sup>5</sup> Roughly one out of three of children with a substantiated maltreatment report are removed from their parents and enter temporary out-of-home care, and about the same number leave foster care each year, most commonly to return to their parents.

About half of California’s \$5.6 billion child welfare budget goes toward monthly payments made to foster care providers, adoptive parents, and legal guardians, all of whom are the temporary or permanent caregivers for children removed from their parents. Much of the remainder is devoted to licensing, training, and placement services for children who enter foster care, and some is dedicated to broader efforts to avoid the use of foster care or to prevent maltreatment altogether.<sup>6</sup>

Two features of current state-local relations are important for understanding California’s child welfare programs today.

**Counties administer most programs.** Along with New York and about a dozen other, smaller states, California has state-supervised, county-administered social service programs. In other words, the state’s core role has long been oversight while the counties’ role has been implementation. The 1991 realignment of programs from the state to the county level advanced this role by increasing county cost-sharing for child welfare programs and services.

Not only have counties long administered child welfare programs, some have taken a demonstrable special interest in improving their programs. They have taken (or created) opportunities to pilot new or modified programs and have sometimes dedicated county funds to these efforts beyond the amounts that the state has committed to match. For example, two counties—Alameda and Los Angeles—are currently part of a federal waiver that grants them broad flexibility (within a capped allotment of funds) to spend federal and state money to create alternatives to out-of-home placements when they deem that an alternative is in the best interests of a child.

**Infrastructure for state oversight is in place.** Both the state and the federal government have established performance measures for child welfare—these measures largely focus on children who enter foster care. As a condition of federal funding, states must periodically participate in reviews that determine whether they have met performance targets in fourteen specific areas encompassing the broad goals of safety, permanency, and child well-being. In addition, the California Child Welfare System Improvement and Accountability Act (AB 636, Chapter 638, Statutes of 2001) required the state to develop its own county review structure, which builds on federal performance reviews.

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<sup>5</sup> A smaller subset of children is reported multiple times for suspected maltreatment over the course of their childhoods. Child welfare programs affect the lives of these children more profoundly than they do for the vast majority of California’s children.

<sup>6</sup> A precise apportionment of costs across different program areas is difficult because allocations for Alameda and Los Angeles counties covering a range of program areas are currently included as one line item in the state budget.

Since 1997, all 58 counties have shared a common automated system to track children who come into contact with the child welfare system. This is an essential tool for state oversight of county programs. From these common data, the state has developed an infrastructure that enables quarterly reporting at the county level of current state and federal performance measures.<sup>7</sup> This is a significant achievement among social services programs in California.

As with corrections, economic development, and K–12 education, California policymakers are clearly not starting with a blank slate when they consider realigning child welfare. However, there remain substantial and difficult issues to resolve to set the stage for achieving the hoped-for benefits of realignment.

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<sup>7</sup> Only a subset of performance measures are intended to be tracked using administrative data.

# Principles

Successful child welfare programs provide a continuum of services: They prevent abuse and neglect; they keep children safely with their parents even when maltreatment has occurred; and they place children in temporary out-of-home care only long enough to achieve a permanent resolution. The case for realigning these services is most convincing if realigned programs can achieve better outcomes for similar expenditures.

When making decisions about the specific form that child welfare realignment will take, policymakers will need to consider the relative strengths of local and state control. The following principles outline these strengths. However, they do not outline opposing points of view. Instead, they demarcate important boundaries for thinking about how to shape the specific form that the realignment of child welfare programs will take.

## Strengths of State Control

Ideally, realigning state and local relations would focus the state on the strengths that it brings to California's child welfare services.

### **The state can ensure equity**

Equitable treatment of children living in different parts of California is a state obligation, and constitutionally, California's counties are agents of the state. The state's residents have equal claim to be protected by state and federal laws and to receive services that the state has committed to provide.<sup>8</sup> Thus, it seems necessary for state and local policymakers to agree upon a set of core measures of adequacy, which the state would closely monitor. The extent to which the core would represent a minimum consensus is an open question. Another concern is creating mechanisms that would effectively ensure that every county is motivated to meet statewide goals.

### **The state can oversee complex intergovernmental relationships**

Earlier, we outlined the levels and branches of government that play key roles in child welfare programs and sketched the range of other programs that may be drawn in to resolve cases of maltreatment. While state policymakers may assign counties considerable additional responsibility, the state will remain a hub, interacting with both counties and the federal government. Where appropriate, the state can help counties to manage complexity by enabling integration across programs—principally by providing counties the authority to spend realigned funds flexibly. The state can also be an effective disseminator of best practices across counties.

### **The state can monitor capacity issues**

Recent realignment discussions have largely taken the current size and governing structure of counties for granted. While it is of course the case that counties are, population-wise and geographically, smaller than the state as a whole, counties themselves are very diverse. Some may be too small to possess the expertise to develop and run effective child welfare programs. In these cases it may be that regional solutions are an

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<sup>8</sup> When California accepts federal funds for its child welfare programs, the state must designate a "single state agency" to monitor the use of these funds. The Department of Social Services plays this role and has responsibility for monitoring county performance and ensuring uniform application of federal laws across the state.



effective management response. Others may be too large to reap the principal benefits of local control. For these counties, even further devolution could be considered. In both cases, the potential benefit of adding intergovernmental structures must be balanced against the additional complexity created by these structures.

## **Strengths of Local Control**

Similarly, counties bring capabilities to the table that can complement the state's strengths.

### **Local preferences can be addressed**

California is a large and diverse state, and communities may well identify a wide range of child welfare outcomes they consider important. For example, a county could choose to prioritize prevention of child maltreatment and decide to inaugurate special efforts to detect abuse and neglect that would otherwise go unreported. Paying heed to local preferences can imply that counties are empowered to identify additional outcomes to pursue that are above and beyond core statewide priorities.

The extent to which counties will or should establish these local priorities is an open question. The articulation of local priorities would need to be balanced with the establishment of statewide performance measures that all counties would endeavor to meet. Even with such measures, children could be treated differently depending on where in the state they live.

### **Local knowledge can lead to better services**

Proponents of realignment often highlight the strengths of local knowledge. In the case of child welfare services, this means that counties—because they closely understand their communities' strengths and challenges—are potentially better equipped than the state to prevent maltreatment and to address it when it occurs. In addition, because resolving most cases of maltreatment requires multiple interventions—including addressing parental substance abuse, homelessness, and mental health—counties' closer understanding of local resources is likely to lead to a better coordination of services within and across agencies that serve families and children. Similarly, counties' smaller scale potentially allows for better success in working with local grass-roots or community-based organizations that serve particular populations. To the extent that these arguments hold true, local knowledge would translate into greater effectiveness and reduced duplication of programs and services. Both imply government savings in the short- and longer-term.

### **Localities may be willing to invest more**

Greater local control may translate into greater willingness to fund programs locally beyond minimum state requirements. In some cases, counties have already demonstrated willingness to invest in child welfare programs above levels matched by state funds.<sup>9</sup> This may happen for a range of reasons. Locals may be willing to pay for programs in which they have invested time and effort, or that they have concluded are effective, or that simply reflect their preferences. This principle may play an especially important role if the statewide agreement about a common core of outcomes represents a minimum consensus among sharply differing localities. Those localities with strong values not reflected in statewide standards may want to invest more money to pursue those additional goals. A downside of local control, of course, is that some counties might seek to minimize funding and services.

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<sup>9</sup> When they do this, counties do typically receive federal matching funds.

# Funding

The governor's realignment proposal would shift the entire responsibility to pay for child welfare services from the state to the counties. Locating one or several viable and permanent sources of funding to replace the current state funding structure is clearly central to this, or any, plan. However, there are other concerns related to funding.

A key consideration is the amount of flexibility state policymakers will give counties to spend realigned funds, both within child welfare programs and across all realigned programs. Right now counties implement programs and bear a share of costs, but do so within a framework of programs created by the state and federal government. The proposed realignment of funding responsibility does not in itself alter this status quo. However, as we have noted, giving counties broad flexibility may help them to manage limited resources and to improve program efficiency. This flexibility may be especially compelling because abused and neglected children and their families often require services across multiple programs.

On the one hand, such flexibility could translate into a substantial shift away from current funding priorities set out in state law. For example, if the state gave counties broad flexibility to spend realigned funds, counties could potentially seek to optimize their child welfare budgets by redirecting state and local dollars away from children not eligible for federal matching funds, creating equity concerns. Or flexibility could mean that counties choose to shrink programs that the state had earlier established with earmarked funds. Or counties could decide to give priority to other realigned programs entirely.

On the other hand, the state could decide to limit local control of funds to promote equitable treatment of children and maintain state-determined priorities. Of course, this would mean that counties would be more constrained in terms of their ability to set priorities, manage costs, and provide innovative solutions. Balancing local flexibility and statewide fairness is a key aspect of managing the funding in any realignment scenario.

A second concern is the adequacy of funds now and in the future. The governor's realignment proposal for child welfare anticipates restoring \$80 million cut in the 2010–11 fiscal year but does not commit other new funding. Yet even before that cut, counties, care providers, and advocates had already articulated several claims that funding levels were inadequate. For example, monthly compensation to out-of-home care providers has not kept pace with inflation. California's minimum payments put the state below the national average (DePanfilis et al. 2007). Recent court decisions have required the state to raise payments to two categories of care providers.

Adequate funding levels are also at issue when it comes to staffing levels. In 2000, legislation (SB 2030) required the state to conduct a study to identify minimal and optimal staffing levels for child welfare caseworkers. While two distinct state efforts were made over the decade to address staffing deficiencies, these efforts did not assure equal improvements across counties. The majority of counties likely still fall short of recommended staffing levels.

The state must also be prepared to take on new funding responsibilities in the future. This is because the California Constitution requires the state to reimburse counties for new or higher levels of service mandated by the state. For example, the state recently approved extending foster care eligibility to age 21 for those who turn 18 while in foster care and who meet certain other criteria. This extended eligibility is slated to phase in over the course of several years, and counties will soon begin to take on this obligation—to the extent that

the legislature appropriates sufficient funds. In addition, any substantial future reshaping of the federal role will likely involve new requirements for states, also raising the issue of state mandates.

Finally, the state will continue to rely heavily on the federal government. Currently, the state is only one of the sources of funding for child welfare programs, providing about 30 percent of the overall child welfare budget. The counties currently shoulder a little over 20 percent. Thus, California looks to the federal government for nearly half of child welfare spending, and expects to do so into the future.

The major source of federal funding is an uncapped stream that is restricted in use, known as Title IV-E of the Social Security Act. Title IV-E is an entitlement program, meaning that there is no limit to the amount of reimbursement the state can claim. In California's case, federal funds reimburse 50 percent of state and local expenditures. However, states can only claim reimbursement for the federal share of their child welfare expenditures if these expenditures are related to particular services, primarily foster care board and care payments and assistance payments to adoptive parents and relative guardians.

In addition, children themselves must meet federal eligibility requirements.<sup>10</sup> In 2010, about 3 in 10 children in foster care in California did not meet these requirements. The costs of their out-of-home placements were borne entirely by the state and counties according to the sharing ratios established in state law.<sup>11</sup>

These federal funding restrictions play a significant role in the provision of California's child welfare services. In the next section, we will discuss in more detail the constraints federal funding puts on the state system.

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<sup>10</sup> Specifically, children must come from families that meet 1996 federal income eligibility guidelines for a now-defunct program (Aid to Families with Dependent Children). In the case of one type of federally-reimbursed cost—adoption assistance payments—these eligibility requirements are being phased out between 2009 and 2018.

<sup>11</sup> States' claiming from Title IV-E funds does vary widely across states for both evident and unclear reasons (Government Accountability Office 2006).

# Constraints

Fiscal and oversight relationships will enduringly shape the realignment of child welfare programs. In particular, California's dependence on federal funds will always mean that child welfare services are constrained by federal rules and regulations. Similarly, as part of realignment policymakers will likely define a core set of standards for child welfare—and federal performance measures will also influence these standards.

## Federal Funding

Policymakers can negotiate the extent of the flexibility counties will have in spending realigned state funds. However, the dependence on federal funding that California shares with all states also strongly influences the programmatic flexibility that the counties have. As we have noted, this is the case for one key reason: Currently, most federal funds may be used only to reimburse the state and counties for about half of the expenses of placing eligible children in foster care. As long as this constraint remains in place, the tools the states can give counties to manage their resources and to innovate are limited.

This restriction is out of step with recent and ongoing efforts to implement effective strategies to keep maltreated children safely with their parents rather than send them into foster care. These efforts have been partly responsible for the large reduction in the number of children in foster care in California. Between 2000 and 2010, California's foster care caseload dropped by almost half. Although the foster care caseload is at a decade low, the number of reports of child maltreatment has remained steady, and the number that counties determine meet the legal definition of abuse or neglect has declined by only a quarter. Together, these trends suggest that one strategy for addressing child welfare needs—placing children in foster care—has decreased markedly in importance but that the overall need for services is only somewhat diminished. However, a county that has sought to shift focus must make do with the local share of the total funds freed up as a result of reducing the number of children in foster care, or it must seek to shift funds from other parts of federal, state and county budgets.

Further, the state can claim these federal dollars for increasingly fewer children in foster care—the federal government has not updated income eligibility standards for federal claiming to account for inflation since 1996. The state and counties bear the entire expense of out-of-home care for children not eligible under federal law.

Would the federal government allow California to maintain federal funding while operating its child welfare programs with fewer federal funding restrictions? As noted earlier, two counties—Alameda and Los Angeles—currently have the ability to spend federal funds flexibly, but their authority to do so will expire in 2012.<sup>12</sup> The state and counties could seek to extend this waiver for an additional period of time and request that more counties be allowed to join the waiver.

However, this strategy may not be attractive to counties. Alameda and Los Angeles counties obtained the authority to spend funds flexibly in exchange for agreeing to a capped allocation of federal and state funds. Tellingly, up to eighteen additional counties could have joined when the waiver began in 2007 but did not—perhaps a signal that most counties found it too risky to replace a funding source constrained in its uses but

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<sup>12</sup> If the state requests a short-term extension of the federal waiver, it will likely be granted.

unlimited in its amount with a broadly flexible but capped funding allocation.<sup>13</sup> Further, in this economic climate counties could well be expecting increased need for child welfare services in upcoming years, making a capped allocation even less attractive now. Still, the counties may be prompted to reconsider if realignment leaves them with additional responsibility and limited—or no—additional flexibility.

Alternatively, the state could participate in a national strategy. California is not the only state to seek greater flexibility in the use of federal funds. There have been calls to turn many or most federal funds into a block grant that states could use for broad purposes related to child welfare.<sup>14</sup> Working out a compromise for child welfare programs that increases states' flexibility while limiting their risk is an ongoing national discussion. California can continue to participate in this discussion although it cannot expect to steer the outcome.

## Federal and State Performance Measures

California has put in place important pieces of infrastructure to track outcomes but a core set of statewide outcomes, along with minimum standards for counties to meet, remains to be defined. These outcomes must balance concerns about statewide equity with an acknowledgment of the diversity of local priorities and values. At the same time, for practical purposes policymakers will likely want to consider aligning these performance measures with those required by federal law. Keeping this federal focus will allow the state to use federal mechanisms already in place to give counties incentives to comply with performance reviews.<sup>15</sup>

Although the state has fostered the capacity to track federal performance measures, the complexity of these measures makes them of limited usefulness. Policymakers will need to consider how they can whittle down these performance measures to a meaningful and more transparent core.

Another concern is that these federal measures—and especially those that can be tracked using the state's administrative data infrastructure—are focused largely on children who enter foster care. As mentioned above, that focus is too narrow for policymakers and stakeholders. To the extent that the national discussion can shift the federal funding emphasis away from foster care, federal performance measures will follow. However, as we have noted, such a broadening is unlikely to be a short-term effort.

Realignment should aim to alter current state-local relationships to improve governance in the state. The constraints on funding and oversight just reviewed—constraints that have at their roots the federal-state relationship—significantly limit the ability that policymakers have to innovate, at least in the short run.

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<sup>13</sup> The interim evaluation report identifies both financial considerations and the relatively short planning period as reasons why additional counties did not participate (Ferguson and Duchowny 2010).

<sup>14</sup> States' main past experience with a block-granted social services program is welfare cash assistance, known federally as Temporary Assistance for Needy Families (TANF). California Work Opportunity and Responsibility to Kids (CalWORKs) is the name of California's TANF program. TANF block grants have proved to be a flexible source of funding: Nationwide, well less than half of TANF block grants are now spent on cash assistance for low-income families. The remainder goes to a wide range of related services and other programs that serve children and families. At the same time, TANF block grants have not been adjusted for inflation since 1996, and—barring extraordinary measures by the federal government—states largely bear the risk when welfare caseloads increase.

<sup>15</sup> The state has not met federal child welfare performance standards in either its first or second reviews. However, in the wake of both reviews it has successfully developed program improvement plans that secured federal approval, and has met most of the program improvement targets that it set.

## Conclusion: Moving Forward

The successful realignment of child welfare services should not be understood to imply the state's disengagement from child welfare policy. Under any realignment scenario, the state will continue to be deeply involved in child welfare in a number of different ways: State lawmakers will set the legal definition of child abuse and neglect; family courts will determine whether and when the state should take a child into its custody or relinquish that role; and state social services administrators will serve as the official point of contact with the federal government and oversee county programs. The federal government will also continue to provide a large share of the funding for child welfare programs and services. In return for this funding, the state will continue to report to the U.S. Department of Health and Human Services.

Despite continued state and federal involvement, realignment of child welfare services would bring change. If realignment can achieve greater efficiency in expenditures, then outcomes may well improve for California's at-risk children. However, the main benefits of realignment would not automatically flow from a shift in funding responsibility, but rather would emerge from rethinking state and local roles—in particular, from more robust state oversight and from realizing the potential of local expertise to improve outcomes in local communities.

Setting the stage to make these achievements possible will require the state and counties to work together on the four key actions outlined below. The first two actions could occur in the short-term; the third involves longer-range planning and more uncertainty. Finally, additional strategic thinking about the ways in which realignment will shape future discussions about state-local governing relationships will also be important.

### Create Meaningful Local Flexibility

The justification for child welfare realignment tends to be that local flexibility can produce better results for the same costs. This implies that—if policymakers commit to child welfare realignment—counties should gain substantial discretion in how they use realigned funds. Dedicating a capped source of funds to counties with little or no additional authority over how they could be spent would expose counties to new risks.

However, a new reliance on localities does not mean that state policymakers must relinquish control over state policy goals. Rather, it implies that those goals must be delineated clearly and adequately so that counties can determine the best ways to reach them—and the state must hold counties accountable.

### Identify Core Outcomes

State and local policymakers can initiate discussions to define a meaningful and transparent core of outcome measures to be shared statewide. While current federal performance measures do not define such a core, right now they serve as a practical starting point. Because the federal relationship is currently a substantial constraint that is outside the control of state policymakers in the near term, it may also be advisable to build a timetable into any realignment framework that would allow revisiting these core outcome measures.

The expertise of the Child Welfare Council, established in 2006 by the legislature as an advisory body, could become a resource to assist in accomplishing these tasks. Co-chaired by California's Health and Human Services Agency and the state Supreme Court, the council's expertise spans state and local levels of

government and the major programs that serve at-risk children and their families. Currently, the council lacks the staff and authority to assume this role, but this is a potential area for investment and improvement.

In addition, the state could strengthen its presence as a clearinghouse for best practices, disseminating information about promising approaches and about tested programs. A very useful extension of these activities would be to fund evaluations of cutting-edge county programs. For example, the federal government did not require that the evaluation of the Alameda and Los Angeles waiver be designed in a way that would permit finding a decisive link between improvements in children’s outcomes and the increased flexibility in use of federal funds—but the state could do so in the future.

## Address Federal Funding Constraints

About half of California’s child welfare budget comes from the federal government. Counties have already moved away from foster care-focused child welfare programs, yet ongoing federal funding is still mainly reserved for children who enter foster care. Consequently, seeking flexibility in spending those funds is critical. Moving forward, a federal waiver that currently in place in Alameda and Los Angeles counties could provide a model. However, there are potential risks associated with increased federal flexibility, and the state is unlikely to be able to achieve a permanent solution on its own. California could work with other state partners and the federal government toward a resolution.

## Integrate with Other Social Services Programs

Child welfare is already part of a broader realignment proposal that includes corrections, mental health, and alcohol and drug treatment. Moving forward, child welfare programs will be part of discussions regarding the realignment of other programs as well—the needs of at-risk children are complex, and resolving maltreatment can require resources from across the spectrum of California’s government programs. Attaining this greater level of coordination will of course pose substantial challenges, but making progress toward that goal holds the promise of achieving better outcomes for California’s children.

It would be premature to speculate how realignment might unfold—and it will likely continue to be part of the political discourse in California for years to come. However, taken together these actions are essential to making a success of any realignment of California’s child welfare services.

**Other publications in PPIC’s  
Rethinking the State-Local Relationship  
series:**

**An Overview**  
Dean Misczynski

**Local Economic Development**  
Jed Kolko



# References and Resources

## General

- Annie E. Casey Foundation. 2009. *Rebuild the Nation's Child Welfare System*. Issue Brief (January). Available at [www.aecf.org/~media/PublicationFiles/Child\\_Welfare\\_issuebrief2.pdf](http://www.aecf.org/~media/PublicationFiles/Child_Welfare_issuebrief2.pdf).
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