



Testimony before the District of Columbia Council  
Committee on Human Services  
April 22, 2010

Public Hearing:  
Proposed Fiscal Year 2011 Budget for the Child and Family Services Agency

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Good afternoon Chairman Wells and members of the Human Services Committee. My name is Judith Sandalow. I am the Executive Director of the Children's Law Center<sup>1</sup> (CLC) and a resident of the District. I am testifying today on behalf of CLC, the largest non-profit legal services organization in the District and the only such organization devoted to a full spectrum of children's legal services. Every year, we represent 1,200 low-income children and families, focusing on children who have been abused and neglected and children with special health and educational needs. The majority of our clients are children in foster care or their caretakers.

The current recession and the resulting fiscal woes for the District of Columbia and its fiscal year 2011 budget require hard choices to be made, but also require that smart choices be made. The Mayor's proposed budget unfortunately makes some poor choices by cutting several cost effective programs and services that prevent child abuse and that support and strengthen the families who care for our children:

- Rapid Housing
- Grandparent Caregiver Program
- Foster Parent Stipends
- Community Based Prevention Services
- Parent Advocacy Program
- Respite Care

These cuts not only hurt children, they will also cost the District money in the long term.

Fortunately, there are at least \$5.9 million and as much as \$25.5 million in unaccounted for federal dollars in CFSA's budget that can be used to restore these cuts:

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<sup>1</sup> Children's Law Center provides free, comprehensive legal services to thousands of low-income and at-risk children in Washington, DC to ensure they have safe homes, a meaningful education and healthy lives. Applying the knowledge gained from representing children and families, we advocate for changes in the city's laws, policies and programs. Children's Law Center is the largest nonprofit legal services provider in the District and the only to focus on children. For more information, visit [www.childrenslawcenter.org](http://www.childrenslawcenter.org).

- Federal Support for Guardianship Subsidies: \$3.2-\$4.8 million
- Federal Support for Foster Youth 18-20 Years Old: \$2.15 - \$12.89 million
- Federal Support for School Stability Transportation: \$108,000 - \$1.3 million
- Federal Support for Case Planning Meetings: \$405,000 - \$607,500

We urge this committee to work with CFSA and the Chief Financial Officer to quantify the precise amount of missing federal revenue and used the freed local funds to restore these programs

I. Programs That Should Be Restored

The Mayor proposes to eliminate Rapid Housing, slash the Grandparent Caregiver Program by 43 percent, impose a \$1.2 million cut in community-based prevention services, cut stipends to all caregivers, eliminate the Parent Advocate Program and eliminate respite care. These proposed cuts would only save \$5.4 million, excluding the foster parent stipend reduction.<sup>2</sup>

a. Rapid Housing

The Rapid Housing program helps families on the verge of homelessness and youth emancipating from foster care transition to adequate and stable rental housing by providing time-limited financial assistance to pay security deposits and the first several months rent. The program lost its funding at the beginning of FY 2009, but this Committee wisely restored the program in FY 2010. Rapid Housing has helped hundreds of children stay out of foster care or reunify quickly with

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<sup>2</sup> The Mayor proposes cutting the Grandparent Caregivers Program by \$2.8 million, Rapid Housing by \$1.2 million, the Parent Advocate program by \$90,000, respite care by \$150,000, and Collaboratives by \$1.2 million. We do not have enough information to estimate the savings from the proposed cut to foster parent stipends.

their parents.<sup>3</sup> The program is also inexpensive – a maximum of \$5,000 per family or emancipating youth.<sup>4</sup>

Restoring this program was hailed as one of the best outcomes from the Council's FY 2010 budget review. CFSA even described the program's past success and stated its commitment to operate the program in its recent annual report.<sup>5</sup> Restoring the program was also cost effective. Rapid Housing pays for itself and then some. For every \$5,000 spent keeping a child out of foster care, the District saves more than \$40,000 – the average cost in local funds of one year of care.<sup>6</sup> Funding Rapid Housing thus saves CFSA more than eight times its cost – and much more when families with more than one child are helped, as is usually the case.<sup>7</sup> If restored to its FY 2010 funding level of \$1.19 million, we estimate that it will save at least \$6.6 million<sup>8</sup> in FY 2011 alone. It is both good policy and a wise fiscal decision to fund Rapid Housing.

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<sup>3</sup> Government of the District of Columbia, Child and Family Services Agency, Implementing the Adoption and Safe Families Amendment Act of 2000 in the District of Columbia, [http://cfsa.dc.gov/cfsa/frames.asp?doc=/cfsa/lib/cfsa/pdf/final\\_mayor\\_annual\\_report\\_2007\[1\].pdf](http://cfsa.dc.gov/cfsa/frames.asp?doc=/cfsa/lib/cfsa/pdf/final_mayor_annual_report_2007[1].pdf) (reporting that Rapid Housing served families with 164 children in FY'07); Testimony of Uma S. Ahluwalia, Interim Director, Performance Oversight Hearing, Committee on Human Services, February 15, 2007, [http://newsroom.dc.gov/file.aspx/release/10619/21407FY0607\\_Hearing.pdf](http://newsroom.dc.gov/file.aspx/release/10619/21407FY0607_Hearing.pdf) (noting that Rapid Housing served families with 155 children in FY'06).

<sup>4</sup> Families, including emancipating youth with children, receive up to \$5,000. Emancipating youth without children receive up to \$4,000.

<sup>5</sup> Government of the District of Columbia, Child and Family Services Agency, FY 2009 Annual Report at 22 (2010), [http://cfsa.dc.gov/cfsa/frames.asp?doc=/cfsa/lib/cfsa/reports\\_and\\_assessments/2009\\_apr\\_final.pdf](http://cfsa.dc.gov/cfsa/frames.asp?doc=/cfsa/lib/cfsa/reports_and_assessments/2009_apr_final.pdf).

<sup>6</sup> The proposed budget for child placement activity, teen services activity, and out of home and permanency includes \$79,955,000, \$2,321,000, and \$2,614,000 in local funds, respectively, for a total of \$84,890,000. CFSA Proposed Budget, Schedule 30-PBB. With about 2100 children in foster care, CFSA will spend an average of \$40,423 for each child in foster care. This estimate is conservative because it excludes costs for foster care agency contract monitoring, foster home and facility licensing, permanency subsidies, and in home and permanency units 1 and 2 – all of which have costs associated with foster care placements. We do not include the costs of those services in our estimate due to the difficulty in projecting their average cost.

<sup>7</sup> The average number of children per family served through Rapid Housing was 3.1 in FY'08, Rapid Housing Report: FY 2008 (201 children in 65 families), 2.2 in FY'07, Rapid Housing Report: FY 2007 (164 children in 74 families), and 3.0 in FY'06. Rapid Housing Report: FY 2006 (236 children in 78 families).

<sup>8</sup> Restoring full funding would provide enough Rapid Housing funds to serve 150 families. The number of children per family served by Rapid Housing ranged from 2.2 in FY'07 to 3.1 in FY'08. *See supra* note 37. One year in foster care costs an average of more than \$40,000 per child; we conservatively assumed an average stay in foster care of six months, or a cost of \$20,000 per child. 150 families multiplied by 2.2 children per family multiplied by \$20,000 per child equals \$6,600,000. That estimate conservatively uses a low estimate of the average number of children per family – the lowest figure in the range of recent experience.

The Mayor's proposed elimination of Rapid Housing is especially irresponsible given the District's ongoing federal court liability in *LaShawn A. v. Fenty*. The *LaShawn* consent decree – agreed to by the District – requires the District to provide “housing assistance” as part of its efforts to prevent removing children from their families.<sup>9</sup> Rapid Housing is the only District program that provides housing specifically for families whose children are at risk of foster care due to inadequate housing.

b. Grandparent Caregiver Program

The Grandparent Caregiver Program financially supports grandparents who are raising children and, most importantly, keeps children safely with family and out of foster care. We have testified in support of it many times in the past and each member of this Committee has been supportive of the program.

The Mayor proposes a remarkably dramatic 44 percent cut in the Grandparent Caregiver Program<sup>10</sup> along with a statutory change that would permit CFSA to reduce the Grandparent Caregiver Program subsidy to from 95 to 50 percent of the guardianship subsidy rate.<sup>11</sup> This proposal will lead to hundreds of children and their grandparents losing the financial support on which they have depended or see the amount of their benefits cut nearly in half. Either scenario would lead to significant hardship for these families. We urge the Council to restore the full \$2.769 million proposed cut.

c. Family-Based Foster Care

In addition to cuts to the Grandparent Caregiver program, the Mayor's budget proposes cuts across the board to caregivers. Recently CFSA cut subsidy rates for therapeutic foster parents – the individuals who day-to-day take care of foster children with the most significant emotional problems

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<sup>9</sup> *LaShawn* MFO at III.C.2.f.

<sup>10</sup> The Mayor proposes cutting \$2.769 from a fiscal year 2010 budget of \$6.309 million.

<sup>11</sup> Mayor's proposed Fiscal Year 2011 Budget Support Act, Title V, Subtitle K, § 5081.

and mental health conditions. Now CFSA has announced plans to cut traditional foster parent rates by 10 percent.<sup>12</sup>

CFSA already has a significant problem recruiting and retaining foster parents. Far too often, we speak with foster parents who feel micromanaged, unsupported, and disrespected by CFSA. This treatment leads foster parents to advise their friends and neighbors not to become foster parents – at least not for CFSA – and leads some to stop becoming foster parents. Cutting the subsidies would pour salt on this open wound. CFSA simply cannot afford to take this step – CFSA needs all of its existing foster parents and more, both to prevent placement disruptions and to help limit the number of children placed in group homes.

At the same time he is cutting foster parent rates, the Mayor also proposes reducing the number of traditional group homes by one third and thus the budget line by \$1.5 million.<sup>13</sup> According to CFSA, this reduction will be achieved by placing more children in foster homes instead. While we strongly support a reduction in congregate care placements and moving more children to family based care, there must be enough foster parents to make this succeed. CFSA has offered no plan detailing how it will decrease its reliance on congregate care. Indeed, if the other proposed cuts to caregivers are implemented it is very likely that CFSA will not be able to recruit and retain the foster parents necessary to move children from congregate care.

d. Community-based prevention services

The neighborhood Healthy Families/Thriving Communities Collaboratives are the vehicle through which the District has chosen to provide direct prevention services to some of the District's neediest families. The Collaboratives are given the task of helping families weather short term financial crises and linking families with housing resources. Cutting their funding by \$1.19 million,

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<sup>12</sup> Our understanding is that CFSA plans to avoid a 3 percent cost of living adjustment and impose a 7 percent cut, for a total cut in real dollars of 10 percent.

<sup>13</sup> Mayor's Proposed FY 2011 budget at E-27.

as the Mayor proposes,<sup>14</sup> especially after a \$1.26 million cut last year, will inevitably lead to a reduction in these services. These proposed cuts come as more children and families need prevention services – as evidenced by the continued high rate of calls to CFSA’s child protective hotline.<sup>15</sup> The District’s safety net – which is already not as strong as it needs to be – cannot afford to be made any weaker. The Committee should use some of the funds identified above to restore the Collaboratives’ funding to FY 2010 levels.

e. Parent Advocate Program

Children are best served by being reunited quickly with their birth parents. Yet the process of having one’s children removed and then being subjected to the court process is often gut-wrenching and difficult. The Parent Advocate Program matches parents who have successfully reunited with parents who need advocates to help them reunify successfully with their children.

This is a new program, so I cannot testify that it has proven its worth. But it is inexpensive – CFSA funds it through a \$90,000 grant -<sup>16</sup> and it fills a significant need in a system that does not team well with birth parents.

f. Respite Care

All parents need a break. Outside of foster care, parents routinely call on friends and relatives to watch the kids for an evening or a weekend so they can get away. In foster care, this simple activity, like so much else, becomes highly regulated and structured. CFSA contracts for respite care so that foster parents who need a break can have access to a pool of trained and licensed foster parents. Respite care is highly valued by foster parents, especially those foster parents who care for children and youth with the most challenging behaviors. It is an important service that

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<sup>14</sup> CFSA Proposed Budget at E-27.

<sup>15</sup> [03.11.10 Agency Performance Oversight Hearing on Fiscal Year 2009-2010](#), testimony of Dr. Roque R. Gerald (March 11, 2010) at pg 3-4  
<http://newsroom.dc.gov/show.aspx/agency/cfsa/section/7/release/19442/year/2010>

<sup>16</sup> CFSA Proposed Budget at E-28.

helps prevent foster placement disruptions and retains foster parents, and it is well worth the \$150,000 grant that it costs.<sup>17</sup>

## II. Unaccounted For Federal Revenue

The Mayor's budget proposal inexplicably fails to account for millions of dollars in federal money available to CFSA to support guardianship subsidies, foster care costs for the one-quarter of foster youth who are 18 to 20 years old, school stability transportation, and case planning meetings. Taken together, these oversights total from at least \$5.9 to \$25.5 million. The effect of CFSA's failure to account for these millions of dollars in federal revenue is to appropriate millions more local dollars than necessary for federally-supported programs – thus taking precious local dollars away from essential safety net programs.

These millions of dollars in lost federal revenue are based on clear federal law and federal guidance and do not require complicated paperwork or reprogramming. We do not believe that there is any disagreement that CFSA *can* draw down these dollars. These dollars primarily from a 2008 federal law, the Fostering Connections to Success and Increasing Adoptions Act (Fostering Connections) do not involve the complications that have caused problems for CFSA and Medicaid reimbursement. CFSA's only explanation for not accounting for these funds is because the federal government has not yet approved its amended state plan. But the necessary state plan amendments are straightforward and track the clearly established provisions of federal law. The law is clear about what DC is entitled to receive.

The missing federal revenue falls into four categories:

a. Federal Funding for Guardianship Subsidies: \$3.2-\$4.8 million

CFSA can receive federal reimbursement for guardianship subsidies paid for children who entered a permanent guardianship at any time since 2001, when the District's guardianship statute

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<sup>17</sup> CFSA Proposed Budget at E-27.



took effect. Fostering Connections makes federal funds available to support kinship guardianship subsidies.<sup>18</sup> Recent federal guidance clarifies that the District can obtain federal reimbursement for guardianship subsidy agreements finalized before Fostering Connections took effect.<sup>19</sup>

CFSA's budget documents show that the agency expects to receive zero federal dollars to support guardianship subsidies in FY 2011, and for local dollars to cover the entire guardianship subsidy line item of \$9,228,000.<sup>20</sup> CFSA's failure to account for these federal dollars is surprising given that this issue was brought to their attention last year and CFSA confirmed the guardianship money was claimable and agreed it expected to receive \$420,000 in FY 2010. With the new clarifying language CFSA should receive \$3,229,800 - \$4,844,700 million in federal dollars for guardianships in FY 2011.<sup>21</sup>

b. Federal Funding for Foster Youth 18-20 Years Old: \$2.15 - \$12.89 million<sup>22</sup>

Fostering Connections also included a provision that provides federal funding for foster care costs of otherwise eligible 18-20 year olds beginning at the start of FY 2011.<sup>23</sup> This change is important because one-quarter of the District's total foster care population – more than 500 youths – are 18-20 years old.<sup>24</sup> The Mayor's proposed CFSA budget does not account for these newly available funds. The "child placement activity" budget line – the line which accounts for the cost of

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<sup>18</sup> Pub. L. 110-351, § 101 (2008).

<sup>19</sup> ACFY-CB-PI-10-01, [http://www.acf.hhs.gov/programs/cb/laws\\_policies/policy/pi/2010/pi1001.pdf](http://www.acf.hhs.gov/programs/cb/laws_policies/policy/pi/2010/pi1001.pdf).

<sup>20</sup> CFSA FY 2011 Budget at E-25, and Schedule 30-PBB at 2.

<sup>21</sup> CFSA's federal match for guardianship subsidies is seventy percent. The lower estimate is based on assuming that 50 percent of affected children are IV-E eligible, and the higher estimate is based on assuming 75 percent of affected children are IV-E eligible.

<sup>22</sup> There is also federal revenue available for 18-21 year olds adopted or in guardianship homes. With the passage of the Adoption and Guardianship Subsidy Emergency and Temporary Amendment Acts of 2010 and hopefully soon the permanent version of the legislation more older youth will be leaving foster care making this revenue is even more important. Through Fostering Connections beginning FY 2011 if the adoption or guardianship is entered after the child has "attained 16 years of age" (that is, is 16 or older, with no upper age limit) and is enrolled in school, working at least part time, or too disabled to attend school or work, then federal support is available. Pub. L. 110-351 § 201(a). In addition, currently youth 18-21 are eligible for federal funding regardless of the age at which they left foster care for adoption or guardianship if the youth have a mental or physical handicap which CFSA determines warrants continuation of assistance. 42 U.S.C. 673(a)(4)(A) & Pub. L. 110-351 § 201(c).

<sup>23</sup> Pub. L. 110-351, § 201 (2008).

<sup>24</sup> CFSA 2009 Annual Report at 29 (2010),

[http://cfsa.dc.gov/cfsa/frames.asp?doc=/cfsa/lib/cfsa/reports\\_and\\_assessments/2009\\_apr\\_final.pdf](http://cfsa.dc.gov/cfsa/frames.asp?doc=/cfsa/lib/cfsa/reports_and_assessments/2009_apr_final.pdf).

foster homes, group homes, and independent living programs<sup>25</sup> – shows only limited federal support.<sup>26</sup> The federal support for this line item – the largest line in CFSA’s entire budget – would be significantly higher if it included foster youth 18-20 years old. Under an extremely conservative estimate, including these youth would increase federal financial support by \$2.15 million.<sup>27</sup> A mid-level estimate of new federal revenue is \$6.3 million,<sup>28</sup> and a high end estimate is \$12.89 million.<sup>29</sup>

c. Federal Support for School Stability Transportation: \$108,000 - \$1.3 million

CFSA helps maintain foster children’s school stability by transporting them from their foster care placements to their schools, so their placement in foster care does not have to disrupt their education. Under Fostering Connections and related federal guidance, federal foster care maintenance and administrative cost payments are available to help pay for this transportation.<sup>30</sup> Yet the Mayor’s budget projects zero dollars in federal revenue for CFSA’s Office of Clinical Practice<sup>31</sup> – the office which manages CFSA’s school stability transportation services.<sup>32</sup> CFSA asked that emergency legislation be introduced in December of 2009 in part to comply with this provision

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<sup>25</sup> CFSA Budget at E-21.

<sup>26</sup> CFSA, Schedule 30-PBB, at 2. The “Child Placement Activity” calls for \$103,160,000 in spending, \$22,679,000 of which – 22 percent – is anticipated to be paid for through federal revenue. That low percentage of federal financial support suggests a penetration rate of only 31.4 percent. That low penetration rate only makes sense if the more than 500 18-20 year olds in foster care are not counted.

<sup>27</sup> The low-level estimate assumes an average cost per 18-20 year old of \$12,288 – based on the lowest foster care board rate paid for this age group, a very conservative estimate because many such youth receive a higher board rate or are placed at higher-cost congregate care settings. That figure is multiplied by 500 youth 18-20 years old, a 70% reimbursement rate, and a conservatively-estimated 50% IV-E penetration rate.

<sup>28</sup> The mid-level estimate assumes an average cost per 18-20 year old youth of \$30,000 (because some such youth are placed in foster homes and some in more expensive congregate care settings) and multiplies that cost by 500 youth 18-20 years old, a 70% reimbursement rate and a 60% IV-E penetration rate.

<sup>29</sup> The high-end estimate assumes the average cost of child placement activity is \$49,123 (the total line item of \$103,160,000 divided by the 2100 children in foster care), and multiplies that figure by 500 youth 18-20 years old, a 70% reimbursement rate and a 75% IV-E penetration rate. It is not clear that all of the \$49,123 in the average per-child place activity costs is federally reimbursable, but CFSA’s budget does not make it possible to determine for sure what portion of these average costs is federally reimbursable.

<sup>30</sup> 42 U.S.C. § 675(4)(A); Child Welfare Policy Manual section 8.3B.1 Question 4,

[http://www.acf.hhs.gov/j2ee/programs/cb/laws\\_policies/laws/cwpm/policy\\_dsp.jsp?citID=46#438](http://www.acf.hhs.gov/j2ee/programs/cb/laws_policies/laws/cwpm/policy_dsp.jsp?citID=46#438)

<sup>31</sup> CFSA Schedule 30-PBB at 2, Office of Clinical Practice line, “Federal” column.

<sup>32</sup> School stability transportation is managed by CFSA’s “Innovative Family Support Services Administration,” which, per the organizational chart provided by CFSA to the Committee on Human Services in March 2010, is located within the Office of Clinical Practice.

of Fostering Connections so they could begin to draw down these funds.<sup>33</sup> At the rate CFSA pays for this transportation – \$80 per day – it could collect \$108,000<sup>34</sup> to \$1,296,000<sup>35</sup> in federal revenue.

d. Federal Funding for Case Planning Meetings: \$405,000 - \$607,500

CFSA holds family team meetings regularly for children soon after their removal from their families and holds similar meetings at different points of a case, often called “LYFE Conferences,” Youth Transition Plan meetings, or other names. All of these meetings are closely related to case planning and thus qualify for Title IV-E administrative costs.<sup>36</sup>

CFSA’s Office of Clinical Practice coordinates these various case planning meetings,<sup>37</sup> but that Office’s line item accounts for zero federal revenue.<sup>38</sup> Eighteen FTEs are listed in CFSA’s organizational chart as coordinating and facilitating these case planning meetings; these staff work full-time on this federally-reimbursable activity.<sup>39</sup> In addition to their salaries, each case planning meeting involves significant time spent by social workers, and often other staff, at both CFSA and private agencies. We conservatively estimate these costs to add up to at least 27 FTEs,<sup>40</sup> which translates to potential federal revenue between \$405,000 and \$607,500.<sup>41</sup>

## CONCLUSION

I urge the Council to ensure CFSA properly accounts for its anticipated federal revenue and uses the local dollars that will be freed to restore the identified cost effective and essential programs.

Thank you and I look forward to answering your questions.

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<sup>33</sup> B18-579 Prevention of Child Abuse Amendment Act of 2009.

<sup>34</sup> This conservative estimate assumes that only 50 children will use such transportation for an average of 90 school days each, with an average federal reimbursement rate of 60% (the mid-point of the administrative cost and foster care maintenance rates) and a penetration rate of 50%.

<sup>35</sup> This estimate assumes that 200 foster children – of the 2100 total foster care population – will use such transportation for 180 school days each, with an average federal reimbursement rate of 60% and a penetration rate of 75%.

<sup>36</sup> See 45 C.F.R. § 1356.60(c)(2)(iv); N.Y. State Dep’t of Soc. Servs., DAB No. 1588 (1996).

<sup>37</sup> CFSA Proposed FY 2011 Budget at E-22.

<sup>38</sup> CFSA Proposed FY 2011 Budget, Schedule 30-PBB at 2.

<sup>39</sup> CFSA organizational chart, at slide 68, provided to the Committee on Human Services in response to FY 2009-2010 oversight questions. One of these 18 positions is listed as vacant.

<sup>40</sup> We estimate that one and one-half times the number of FTEs in CFSA’s FTM unit could qualify.

<sup>41</sup> We conservatively estimate the average salaries of these positions to be \$60,000. The administrative cost reimbursement rate is 50%. Our low end penetration rate estimate is 50% and the high end estimate is 75%.