



CWDA

January 25, 2008

To: Honorable Patty Berg,
Chair, Assembly Budget Subcommittee No. 1

Honorable Members, Assembly Budget Subcommittee No. 1

From: Frank J. Mecca, Executive Director

RE: **Child Welfare Services Funding Cut – OPPOSE**
[Item 5180: BBR Pages 581-583]

The County Welfare Directors Association of California (CWDA) is strongly opposed to the Administration's proposed across-the-board cut of \$83.7 million General Fund (\$129.6 million total funds) from the Child Welfare Services (CWS) program. This funding reduction will result in reduced services and potential harm to thousands of abused and neglected children in California.

The child welfare system is already critically underfunded, and the proposed cuts would threaten the health and safety of thousands of California's children served by this vital safety net program. The cuts would irreparably reverse the strides made to improve outcomes for children and families and undermine recent legislative investments to improve the system. We therefore urge the Legislature to exempt services to abused and neglected children from the budget balancing proposal for the following reasons:

Funding Cuts Jeopardize Child Safety and Well-Being

California's CWS program is entrusted to respond 24 hours a day, 7 days a week to reports of child abuse and neglect. This critical safety net program keeps children safe from harm. The program utilizes trained social workers who, on a daily basis, make life or death decisions about the most vulnerable children in our state. They take on the difficult task of assessing families' capacity to care for their own children, and provide critical supportive services to children and families. The child welfare system helps reunite children with their families when it safe and in the child's best interest to do so, and when it is not, child welfare becomes the parent and works to find permanent, stable and loving families to care for these children.

Quite simply, funding cuts to this vital safety net program will place children in harm's way. Based on current costs, these proposed cuts will result in 1,005 fewer social workers available to protect abused and neglected children. In order to provide information about the magnitude of the harm these cuts could yield, we have translated the lost workers into actual lost services to children and families under four different scenarios:

- If counties absorb the loss of 1,005 workers in their Emergency Response programs, social workers will be unable to investigate 15,880 reports of abuse and neglect per month, or 190,760 annually. This will leave children in potentially life-threatening situations.
- If cuts are applied to the Family Maintenance program, there will be 35,175 fewer families receiving services at any given time to prevent foster care placement and help children remain safely at home with their own families. This will impact 75,350 families per year.
- If cuts are applied to Family Reunification programs, counties would be unable to reunify 27,135 children with their families.
- Finally, if cuts are applied to services for Permanent Placement services to foster children, 54,270 children will languish in long-term foster care. Fewer foster children will find permanency through adoption or legal guardianship, and services for emancipating foster youth will be reduced or eliminated.

The Governor acknowledged the significance that any cuts will have on abused and neglected children when he restored a much smaller cut to the child welfare program in 2004, noting in part:

"...(T)he 2004 Budget Act's reduction in state financial support...could have the unintended consequence of severe reductions in service to vulnerable children and their families....Such a large reduction in the level of supervision of children in foster homes could jeopardize both the safety of children as well as the level of federal funds available for CWS. Service reduction in CWS would reduce the state's ability to meet the federally required outcomes included in California's Program Improvement Plan...."

Simply put, failure to restore the \$17.1 million and budget control language has the potential to jeopardize the health and safety of California's most vulnerable children."

Proposed Cuts Exacerbate Historic Underfunding

The current budgeting methodology for the program uses social worker caseload standards not updated since 1984. A workload study was mandated by SB 2030 (Costa, Statutes of 1998) and its findings, published in 2000, found that child welfare workload far exceeded available resources. For example, on average, county social workers oversee 30 to 55 children, much higher than the recommended 10 to 15. The study provided recommendations for achieving minimal and optimal workload standards to ensure children and families are served effectively.

Eight years after completion of the workload study, the budgeting standard for the program has remained unchanged, while workload continues to increase. This funding shortfall is compounded by the fact the state has failed to fund the actual costs of operating this program, resulting in a net loss of \$228 million (\$93.6 million GF) between 2001-02 and 2006-07. Counties have partially bridged this funding gap by investing significant amounts of local dollars into the program, overmatching the state's contribution by more than \$150 million a year. However, counties' capacity to backfill for such severe shortfalls in the state's allocation is limited. As local revenues drop, counties will have difficulty maintaining the current level of overmatch, let alone increasing it to make up for the additional cut proposed in the budget.

The Legislature acknowledged the workload problem by mandating a new state analysis in 2006. As a result, the state contracted with UC Davis in late 2006 to review the SB 2030 study and other states' approaches to budgeting. The UC Davis confirmed the essential conclusions of the SB 2030 Study—caseloads are too high and that social worker caseloads do matter when it comes to providing quality child welfare services. The proposed funding cuts will have the opposite effect by increasing workload in child welfare and reducing outcomes for those served by the program.

It is important to note that the Administration's proposal would actually cut child welfare by more than 10 percent, disproportionately higher than other programs. The proposed cut of \$83.7 million State General Fund will also result in a loss of \$49.9 million in federal funds. Further, the impact of the CWS cut is compounded by the proposed 10 percent cut to foster care rates, which will further diminish the supply of safe and appropriate placements for foster children. Cutting rates for foster family homes and relative caregivers will result in a loss of these family-type placements. The result will be increased costs for placements into institutional type settings such as group homes, increased placement moves between caregivers which results in additional time for social workers to deal with disrupted placements, and a reduction in the number of foster children who are placed into adoptive homes.

Cuts Thwart County and Legislative Improvement Efforts

The cuts will turn back the clock on significant reforms and improvements achieved by local agencies in recent years. Any cuts will also undermine legislative investments made into the program, including \$98.6 million (\$50 million GF) allocated by the Legislature beginning in 2006-07 to support outcome improvements. Counties have partnered with philanthropy to improve services and focused local resources in areas with the greatest need for improvements. However, cuts to child welfare will threaten these investments and undermine the progress made to effectively serve children and families.

Local efforts such as team decision making and differential response have contributed to outcome improvements, including reduced entry into foster care, fewer placements while in foster care, and improved communication and collaboration among service providers. These strategies are not state-mandated but have contributed to improved outcomes and significant savings to the state. For example, the foster care population has plummeted from 102,000 children in care in 2001 to just over 77,000 by 2007. Any funding reductions to the child welfare program will reverse this trend and erode child safety, permanency and well-being.

Counties Are Accountable; Failure to Meet Performance Goals Opens Door to Penalties

County CWS agencies are monitored and held accountable to outcome measures set forth by the federal government and the state legislature, as a result of AB 636 (Steinberg, Statutes of 2001). This historic legislation created a local process of continuous quality improvement through county performance reviews and locally focused efforts in areas needing improvement. Data tracked by the UC Berkeley Child Welfare Performance Indicators Project – the statewide entity that tracks all California child welfare data – shows that California is headed in the right direction, showing improvements on most measures, indicating that we are on the right track to achieving systemic reforms.

We are concerned that cuts to child welfare will make it impossible to meet required outcomes and achieve systemic reforms for children and families and will lead to federal fiscal penalties to the state. California, like most other states, did not meet all required outcomes under the federal Child and Family System Review in 2002, but has been able to achieve significant improvement since that time. As a result, California is facing an \$8.9 million federal fiscal penalty, which it is currently appealing. The state is now undergoing its second federal review and will again be expected to make improvements or face fiscal penalties of approximately \$80 million.

State Abdicating Responsibility; Counties Unfairly Left to Decide “What Not to Do”

Counties operate CWS programs on the state’s behalf, following the mandates and regulations set forth by the state and the Legislature to provide services to children and families. However, this proposal reduces funding without eliminating any of the mandates that counties must meet. Absent any accompanying policy changes to reduce or eliminate mandates for services, the proposal passes the responsibility for providing services to the counties without providing adequate resources, policy direction or priorities for how to implement this substantial cut.

This will force local child welfare agencies and county Boards of Supervisors to make tremendously difficult decisions that will hurt children — for example, eliminating investigations for general neglect cases and triaging other abuse cases, increasing response times that exceed the immediate and 10-day required response, not seeing children on a monthly basis, or reducing Independent Living Program services for emancipating foster youth.

By passing program cuts to local agencies and providing no relief from current requirements, the state is not only putting counties in the untenable position of deciding what not to do, but is ultimately abdicating its responsibility to abused and neglected children.

Recommended Action—Exempt Abused and Neglected Children from the Budget Ax

Government has the highest obligation to ensure foster children are safe and well cared for. Basically, these are “our” children: The government intervenes in their lives, makes life-and-death decisions for their care, and becomes their parents. The safety of these vulnerable children must be our top priority.

Given the serious and detrimental impacts that any cut would have to abused and neglected children, CWDA opposes any cut to child welfare services. This vital safety net program must remain intact. We respectfully urge the Legislature to exempt the program from any budget-balancing reductions.

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Thank you for your consideration of our concerns.

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