



February 27, 2026

To: The Honorable Caroline Menjivar
Chair, Senate Budget Subcommittee No. 3

Honorable Members
Senate Budget Subcommittee No. 3

The Honorable Dr. Corey Jackson
Chair, Assembly Budget Subcommittee No. 2

Honorable Members
Assembly Budget Subcommittee No. 2

From: Carlos Marquez III, Executive Director, CWDA

RE: CHILD WELFARE SERVICES (CWS): EMERGENCY
RESPONSE STABILIZATION, FLEX FAMILY SUPPORT
EXTENSIONS, AND ADOPTION ASSISTANCE PROGRAM
TRAILER BILL LANGUAGE

The County Welfare Directors Association of California (CWDA) respectfully submits this budget memorandum to request additional General Fund investment in Emergency Response (ER) Enhancement services and a two-year extension of Flexible Family Supports funding authority. These targeted investments strengthen the front end of the child welfare system, support prevention and placement stability, and help counties sustain timely and effective responses to reports of child abuse and neglect. Additionally, this memorandum provides initial comments to the Administration's proposed Trailer Bill Language (TBL) for the Adoption Assistance Program (AAP).

Over the past decade, California's child welfare system has experienced significant reform and a steady decline in overall foster care caseloads—with entries in foster care declining from 26,769 in Federal Fiscal Year (FFY) 2019 to 16,679 in FFY 2025.¹ Foster care entries and investigation rates have decreased, reflecting broader system reforms and prevention efforts that have anchored practice toward early intervention and family preservation. Targeted state

¹ <https://ccwip.berkeley.edu/childwelfare/reports/Entries/MTSG/r/ab636/l>

investments, including one-time ER Enhancement funding and Flexible Family Supports, have supported this progress by stabilizing frontline investigative capacity and addressing concrete barriers to placement stability. Despite these reforms, counties continue to face workforce instability and external pressures - including the reduction of concrete supports associated with H.R. 1 - that strain Emergency Response operations, as the nature of allegations has shifted toward more complex and high-acuity cases, including sexual abuse, physical abuse, and severe neglect cases, requiring immediate response and advanced expertise. As ER Enhancement funding approaches expiration and Flexible Family Supports funding sunsets in June 2026, sustained progress in prevention, stabilization, and timely response is at risk.

Emergency Response (ER) Stabilization Funding

Emergency Response (ER) programs serve as the frontline of California's child protection system, responding 24 hours a day to reports of child abuse, neglect, and exploitation. Social workers provide in-person response immediately (under 24 hours, often within two hours) to referrals indicating the child's health and safety may be in immediate danger, and within 10 days for all other situations. ER social workers conduct safety assessments, initiate investigations, engage families and kin, and connect families to community-based services to stabilize children safely at home whenever possible. Social workers engage families in safety planning to link families to needed services to prevent removal, and in situations where the health and safety of the child must be protected, ER social workers outreach to known kin and kin-like connections to begin the process of emergency placements with caregivers as children come into foster care, working diligently to maintain siblings together and preserving these crucial family connections.

Recognizing the critical role of ER services, the Budget Acts of 2021 and 2022 provided a total of \$100 million in one-time General Fund to counties to enhance ER staffing and operations. These one-time funds, which are set to expire on June 30, 2026, allowed counties to stabilize front-end child welfare operations during a period of sustained demand, as children and families were returning to normal activities from the pandemic. During the pandemic, referrals to county Child Protective Services (CPS) Hotlines plummeted, dropping from over 477,000 referrals pre-pandemic (Jan-Dec 2019) to just over 390,000 (Jan-Dec 2020) during the pandemic, then jumping to nearly 440,000 in 2022 as pandemic-era concrete supports expired (Jan-Dec data).² Investigations also rose in this time, from a low of over 281,000 investigations in 2020 to nearly 306,000 in 2022.

Between FY 2021-22 and FY 2024-25, counties utilized one-time ER Enhancement funding to stabilize and strengthen frontline investigative capacity during a period of sustained workforce strain and increasing case complexity. Funds were used to hire and retain ER social workers and supervisors, reduce investigative backlogs, stabilize caseloads, expand supervisory

² Source: CA Child Welfare Indicators Project (CCWIP), University of CA, Berkeley, CDSS, Research and Data Insights Branch, Allegation Rates. <https://ccwip.berkeley.edu/childwelfare/index/r>

oversight, and improve documentation and safety decision-making. Nearly all funds have been fully expended statewide, reflecting both need and urgency for these funds. For county-specific uses of these funds and outcomes please refer to Attachment A.

During the period in which ER Enhancement funding was implemented (FY 2021-22 – FY 2024-25), *foster care entries declined by approximately 26 percent statewide*.³ While this trend reflects the interaction of multiple factors, counties consistently report that ER investments strengthened staffing stability, safety assessments and safety planning, kin engagement, and early linkage to services for families to help keep families together, stabilized, and ultimately avoid foster care entry. These core front-end functions support prevention goals and improved child and family outcomes.

Unfortunately, California’s children and families are again threatened due to H.R. 1’s historic cuts and other federal actions undermining health care, nutrition assistance, and other safety net supports. Research has shown that reduced concrete supports to children and families is associated with increased family stress and child welfare risk, and are likely to increase calls to CPS Hotlines.⁴ For example, one study that included all 50 states found that the adoption of Supplemental Nutrition Assistance Program (SNAP) policies that included broader program eligibility parameters and policies that led to increased access to SNAP benefits was associated with reduced child maltreatment.⁵

The expiration of ER Enhancement funding, coupled with implementation of H.R. 1’s devastating policies, threatens to unwind the positive gains in child welfare programs. Additionally, while overall investigation volume has declined, counties report increases in high-acuity allegations, including sexual abuse, physical abuse, and severe neglect, requiring more time-intensive investigations and experienced staff. ER Enhancement funding functioned primarily as a capacity stabilizer, preventing the erosion of statutorily-required response timeliness during a period of compounding workforce and operational strain. Without sustained investment, counties may experience delayed investigations, increased caseloads, reduced capacity to connect families to prevention services at first contact, which puts children at increased risk and increases the likelihood of foster care entry.

Recommendation

CWDA respectfully requests the Legislature establish one-time General Fund support by appropriating \$20 million in FY 2026-27 (available through June 30, 2028) to counties to

³ Ibid. See: Entries to Foster Care.

⁴ See Monahan, E. K., Grewal-Kok, Y., Cusick, G., & Anderson, C. (2023). [*Economic and concrete supports: An evidence-based service for child welfare prevention*](#). Chapin Hall at the University of Chicago.

⁵ Johnson-Motoyama M, Ginther DK, Oslund P, et al. Association between state Supplemental Nutrition Assistance Program policies, child protective services involvement, and foster care in the US, 2004–2016. *JAMA Network Open*. 2022;5(7):e2221509. Accessed via: <https://pubmed.ncbi.nlm.nih.gov/35816315/>

maintain and increase Emergency Response staffing capacity, and to adopt Budget Bill Language (BBL) to continue outcome reporting for continued State oversight of this funding (See Attachment B for BBL). Funds will enhance existing ER services to ensure timely responses to reports of child abuse, neglect, or exploitation, reduce unnecessary foster care entry, reduce the disproportionate representation of children of color entering foster care, and strengthen families through connection to community-based resources. CWDA supports annual county implementation plans and outcome reporting integrated into existing System Improvement Plans.

Flexible Family Supports-Two Year Extension

Flexible Family Supports funding, established through Budget Acts of 2022 and 2023, provided counties with flexible, time-limited resources to strengthen family-based placements and prevent placement disruption.⁶ The program was designed to address concrete barriers faced by kinship caregivers and foster families that are not otherwise covered by foster care rates or categorical funding streams. Counties have used Flexible Family Support funds to stabilize new kin placements and remove practical placement barriers, such as home safety and habitability costs (e.g., beds and furnishings, smoke alarms, repairs, and pool fences). For example, one county reported that these funds supported more than ten expedited relative placements by covering pool fence installation costs that would otherwise delay placement approval. Counties have also used these funds to provide respite care to reduce caregiver stress, to support youth enrichment and recreational activities (e.g., camps, sports, tutoring, college tours), and to maintain sibling and family connections through transportation and travel supports. Several counties report that these flexible supports are often the difference between sustaining a family-based placement and a placement disruption or higher level of care. Please refer to Attachment A for additional county expenditure information.

Flexible Family Funding has functioned as a targeted prevention and stabilization tool, supporting caregiver retention and strengthening kinship placements consistent with legislative intent. County experience reflects that timely, concrete direct assistance to resource families can prevent escalation of challenges into crisis and reduce the likelihood of placement disruption. This funding also sunsets June 30, 2026. A two-year extension, to June 30, 2028, will enable many counties to utilize these funds as a bridge to the implementation of the Tiered Rate Structure (TRS), when direct funding to resource families to support the children in their care will be based on individualized assessments of children's strengths and needs. Maximizing

⁶ The State Budget Act of 2022 ([AB 179](#), Chapter 249) provided \$50 million and the State Budget Act of 2023 ([SB 101](#), Chapter 12) provided another \$50 million to counties for Flexible Family Supports. The FY 23-24 appropriation was set to expire on June 30, 2025 but was extended last year, so that all funds are now set to expire on June 30, 2026.

take-up and utilization of Flexible Family Funding through a two-year extension may serve as a mechanism for familiarizing kinship caregivers and foster families with the forthcoming Strengths Building component of TRS to ensure Strengths Building funds are readily accessed.

Recommendation

CWDA respectfully requests a two-year extension of Flexible Family Supports funding authority to allow counties to sustain placement stabilization gains, complete evaluation efforts currently underway, and continue to build upon the kin-first strategy in partnership with the State.

Adoption Assistance Program Trailer Bill Language

The proposed policy follows legislation enacted as part of the Budget Act of 2025, implemented through trailer bill [AB 118](#) (Chapter 7) and amended by trailer bill [SB 146](#) (Chapter 107), which generally restricts the use of Adoption Assistance Program (AAP) payments for out-of-state placements. The law now requires that in order to be eligible for out-of-state placement supported by AAP funds, the placement must be licensed, in good standing, and eligible as a Title IV-E funded placement, must provide an integrated program of specialized, intensive and trauma-informed care, supervision, services and treatment, and include a clinical component to offer therapeutic services to treat a child's mental health needs. The law sets payment rates for eligible out-of-state placements into residential care settings and specifies that AAP payments may be approved for up to a 12-month cumulative period in an out-of-state facility only if one or more of the adoptive parents reside in that same state, with allowance for a 60-day transition when necessary, and authorizes wraparound services to families. Otherwise, the law prohibits any new placements into out-of-state facilities using AAP funds, effective July 1, 2025.

Since passage of AB 118 and SB 146, county child welfare agencies have been working diligently with adoptive families impacted by this law change as their previous adoption agreements expire and are seeking alternative services and supports for their adopted children. We note that county child welfare agencies are not resourced to provide case management services, but may utilize 2011 Realignment, Adoption Incentive funding, or other fund sources for direct services and supports to adoptive families. County child welfare agencies are required to confirm that the out-of-home placement and services are necessary to meet the child's needs, and to facilitate the AAP payment in response to the adoptive family's request.

This proposed TBL would enact changes to the use of AAP funding for adoptive children residing within California. Specifically, the TBL would limit AAP payments in two ways: by narrowing the types of facilities those payments can be used, to only Short-Term Residential Treatment Facilities, and by capping those payments to no more than a 12-month cumulative period, allowing for a 60-day transition. The TBL would also authorize use of AAP funds for

Wraparound services for up to 12 months, and for additional time if there is continued need to resolve an adoptive child's specific conditions and requires adoptive families to provide verification that providers meet California's Wraparound standards and provider certification requirements.

CWDA continues to analyze the TBL and its potential impacts and is in the early stages of engaging the Administration on the TBL. Counties have raised initial concerns with certain aspects of the proposed TBL that we plan to raise to the Administration, in hopes of working towards trailer bill language that ensures adoptive families and their adopted children can access needed therapeutic and trauma-informed services when needed, both through residential care settings and through service-based models such as Wraparound.

Primary areas for further exploration with the Administration are described below. We also note that CalSAWS has some questions with regard to implementation timing and how the proposed changes will be coordinated with CARES and the Foster Care Eligibility Determination (FCED) interface prior to the implementation of the Tiered Rate Structure, that are also being explored with the Department.

- 1) **Adoptive families need access to high quality, intensive treatment services in residential settings that also minimize lengths of stay in these settings.** The Administration proposes a hard cap of 12 months for residential treatment for in-state families. Counties point out that while the majority of stays are less than the 18 months currently provided in state law, for some youth, their level of need is acute, their needs are complex, and those adoptive youth often exhibit a highly acute physical and/or sexually assaultive behaviors that put their adoptive families, including any young children in the home, at risk. Those adoptive youth require a higher level of services and supports simply not available in California. This includes access to psychiatric residential treatment facilities, or PRTFs, which are designed to provide psychiatric services through the Medicaid program to individuals 21 years of age and under. Despite passage of state law to establish PRTFs ([AB 2317](#), Chapter 589, Statutes of 2022), California does not yet have a single operating facility due to delayed implementation. As a result, STRTPs can struggle to meet the very intensive, acute needs of some adoptive youth, and Wraparound simply would not be the appropriate or safe service option. It is imperative that California's adoptive youth and families have access to intensive services and supports through the Medi-Cal system, including trauma-based treatment settings that avoid unnecessary hospitalization or return into foster care, which can be further traumatizing for youth and families, and that entities responsible for providing such services and supports have the necessary resources to deliver such services.
- 2) **Adoptive families should be able to easily access Wraparound services without delay and unnecessary administrative barriers.** The proposed TBL requires adoptive families to search for providers, provide proof that providers meet certification and state

standards, and enter into contracts with service providers. These can serve as barriers to timely access, and county placing agencies may not be able to always assist families if they have relocated to a new county, where the provider network is unknown. CWDA will engage with the Administration to explore potential solutions that will improve access while reducing burdens on adoptive families.

Concluding Remarks

CWDA welcomes the opportunity for continued engagement with the Administration and Legislature to address any questions regarding these proposals and associated fiscal estimates, and we look forward to working collaboratively to sustain these important investments in California's child welfare system.

Attachments: County Outcomes for ER Enhancement and Flexible Family Supports, Budget Bill Language for ER Enhancement Funding

Cc: Chris Woods, Office of the Senate President Pro Tempore
Mareva Brown, Office of the Senate President Pro Tempore
Jason Sisney, Office of the Speaker of the Assembly
Kelsy Castillo, Office of the Speaker of the Assembly
Elizabeth Freeman, Senate Budget and Fiscal Review Subcommittee No. 3
Nicole Vazquez, Assembly Committee on Budget Subcommittee No. 2
Kirk Feely, Fiscal Director, Senate Republican Fiscal
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus
Megan DeSousa, Senate Republican Fiscal Office
Eric Dietz, Assembly Republican Fiscal Office
Ginni Bella Navarre, Legislative Analyst's Office
Ryan Woolsey, Legislative Analyst's Office
Richard Figueroa, Office of the Governor
Paula Villescaz, Office of the Governor
Kim Johnson, Health and Human Services Agency
Corrin Buchanan, Health and Human Services Agency
Jennifer Troia, California Department of Social Services
Kris Cook, Human Services, Department of Finance