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February 7, 2024

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. 1

From: Eileen Cubanski, Interim Executive Director, CWDA Justin Garrett, Senior Legislative Advocate, CSAC

RE: CHILD WELFARE SERVICES (CWS): OPPOSE GOVERNOR'S BUDGET PROPOSED CUTS; INITIAL COMMENTS ON OTHER CWS PROPOSALS

The County Welfare Directors Association (CWDA) and the California Association of Counties (CSAC) are strongly opposed to the Governor's Budget proposal that would cut \$62.5 million General Fund (GF) in program funding impacting vulnerable foster children, youth and families served by the child welfare system. These cuts would eliminate vital services proven to stabilize youth and families and will result in increased costs in other systems including housing, criminal justice, health, and behavioral health.

Specifically, CWDA and CSAC oppose the elimination of the following programs and services:

Family Urgent Response System (FURS): FURS was created by and for current and former foster youth and their caregivers to provide immediate, 24/7, individualized, traumainformed support via a statewide hotline that provides a warm hand-off to a local mobile response team comprised of at least two trained individuals (mental health clinicians, peer supports, social workers, etc.).

FURS responds within one to three hours to any situation arising in the home that causes stress or concern to either the child/youth or caregiver. This low-entry threshold reflects the

fact that children impacted by trauma may have behaviors that, if left unaddressed, can quickly escalate. A call to FURS also does not require further levels of screening, assessment or referral—which are typical processes required of other systems and that take time and can act as a deterrent to seeking assistance. Since its creation in 2019, FURS has responded to 5,000 calls from youth and caregivers a year, connecting them to ongoing mental health services, leading to a reduced likelihood of foster children and youth's needs escalating to the point of requiring residential treatment or having a psychiatric emergency. FURS offers an alternative to contacts with law enforcement when behaviors escalate in the home, so that youth are not criminalized due to unmet mental health needs. FURS is one of the few concrete supports provided to caregivers in the foster care system, supporting county recruitment and retention of family-based caregivers, particularly kinship caregivers, which aligns with federal and state requirements and goals of increasing kinship care.

The Governor's Budget proposal to eliminate the FURS program in 2024-25 and annually ongoing will lead to placement instability, delays to permanency, and a loss of family-based caregivers, and will likely result in an increased need for congregate care or other intensive and more costly behavioral health interventions. Ultimately, this will harm the foster children and youth whom the foster care system is required to protect.

Housing for Foster Youth in Supervised Independent Living Placements (SILP) – The Governor's Budget proposes to cut \$18.8 million GF and halt implementation of the SILP payment housing supplement in FY 2024-25, thereby eliminating the program that would have provided housing supplements to more than 3,000 foster youths in SILPs based on the cost of rent in their county starting in 2025.

As further discussed below, the Administration's proposed permanent foster care rate structure will not address the inequities of housing costs across counties or the inadequacy of the SILP payment to cover foster youths' housing costs, which continue to increase each year. It is critical that non-minor dependents are stably housed to support their participation in the activities required of them by the Extended Foster Care program. One in five current foster youth in California have at least one episode of homelessness between the ages of 18 and 21.Both the State and counties have a shared responsibility for the care and well-being of foster youth, including the provision of the basic necessity of housing to successfully facilitate the transition to adulthood.

Housing Navigation and Maintenance Program (HNMP): The Governor's Budget also proposes to eliminate the HNMP (\$13.7 million GF cut) in FY 2024-25 and annually ongoing. The HNMP is administered through the Department of Housing and Community Development with funding allocated to county child welfare agencies to provide housing navigation services to young adults, including current and former foster youth, ages 18 through 24. Assistance includes finding and securing housing, case management, emergency supports, housing loss prevention, and coordination and linkage to resources and services. The HNMP

also allows child welfare agencies, working with their local Continuums of Care housing partners, to leverage federal housing vouchers through the Family Unification Program (FUP) and Foster Youth to Independence (FYI) vouchers. If HNMP is eliminated, it would result in the loss of \$22 million in federal FUP/FYI housing supports for former foster youth, impacting 1,300 former foster youth who would be immediately at risk of homelessness.

Deferral of \$80 million for the Bringing Families Home Program

The Governor's Budget proposes to delay the availability of \$80 million GF, the majority of the one-time funding provided in FY 2022-23 for the Bringing Families Home (BFH) Program, would make these funds available in FY 2025-26, rather than FY 2024-25. Established in 2016 as a pilot program and expanded in 2019, the BFH Program is administered by county child welfare and tribal agencies to reduce the number of families in the child welfare system experiencing, or at risk of homelessness. The BFH Program promotes supportive housing and rapid re-housing for families reunifying with their children and helps to prevent foster care entry by supporting the parents of children who are at risk of abuse and neglect. BFH is an important resource for black and Native American children and families who are disproportionately represented in the child welfare system.

Counties currently have through June 30, 2025, to expend the funds from FY 2022-23. By delaying the availability of a portion of the FY 2022-23 funding, the proposal has the potential to jeopardize some counties' ability to maintain current levels of services to vulnerable children and families. We will be working more with our members and the Administration to understand the implications of these delays and to determine whether the proposed amount of the deferral is appropriate.

Urge Consideration of Prevention Funding to Reduce Racial Disparities in Foster Care

The Governor's Budget proposes to extend the expenditure deadline of the \$222.4 million GF State Block Grant for the Family First Prevention Services Act (FFPSA) from June 30, 2024, to June 30, 2028, without adding any new funding. While CWDA and CSAC appreciate the extension, we are concerned that the length of the extension is excessive and funding for evidence-based and culturally relevant prevention services will run dry just as counties are ramping up local prevention efforts. We are working to understand the impacts of counties' implementation of their Comprehensive Prevention Plans and how the lengthening of the expenditure timeline without any additional or ongoing funds will impact their prevention efforts and will provide additional details soon. Regardless, we strongly encourage the Legislature to consider an investment of on-going state funding to sustain prevention services. California's goal of increasing equity and reducing disparities in the child welfare system cannot be met without a state-level commitment to ongoing investment in prevention services.

Proposed Permanent Foster Care Rate Structure

The Governor's Budget includes a welcomed proposal for a permanent rate structure informed by the child's individual needs and strengths, as identified by the Child and Adolescent Needs and Strengths (CANS) assessment tool. The proposal establishes a tiered rate structure that provides a care and supervision payment, a strength building and maintenance payment through a third-party "financial management coordinator", and an immediate needs payment to purchase or procure direct services and supports. CWDA is currently engaging with the California Department of Social Servies to gain additional understanding of the proposal and we have been informed that trailer bill language will be released in mid-February. We will submit more detailed comments to the Legislature at a later date.

Our initial and high-level reaction to the proposal is positive but cautionary. There is merit to the proposal's intent of linking the payment level to the needs and strengths of the child/youth, rather than to the placement type. We also see merit in funding activities and services that build on strengths and address service needs, based on an objective assessment tool. We caution that there are many aspects of the proposal yet to be addressed. We also note that the information needed to inform the rates requires completion of the CANS assessment tool within the child and family team, and data entry of the CANS scores into CWS-CARES. These are county-based administrative activities that require coordination between county child welfare social workers and behavioral health agencies and adequate funding and support are needed for those efforts.

For FY 2024-25, the Governor's Budget proposes \$12 million GF for automation changes to the CWS-CARES and CalSAWS systems to implement the new rate structure as soon as FY 2026-27. We note the funding for automation is an estimate and may require significant revisions once more details are known about the proposed new rate structure and there are comprehensive discussions with the state, CalSAWS, and CWS-CARES staff on how to effectuate the proposed rate structure.

Concluding Remarks

The State and counties have a shared responsibility in the care and future of children and youth in the foster care system. We urge the Legislature to protect this critical safety net program, and to reject efforts to reduce or eliminate programs and services that provide upstream supports that have lifelong, profound impacts on vulnerable children, youth and families.

Chris Woods, Office of the Senate President Pro Tempore CC: 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 Schmitt, Senate Budget and Fiscal Review Subcommittee No. 3 Nicole Vazquez, Assembly Committee on Budget Subcommittee No. 1 Kirk Feely, Senate Republican Fiscal Office Joe Shinstock, Assembly Republican Fiscal Office Jessica Bartholow, Office of Senator Skinner Kimberly Fuentes, Office of Senator Menjivar Dubrea Sanders, Office of Assembly Member Jackson Ginni Bella Navarre, Legislative Analyst's Office Richard Figueroa, Office of the Governor Angela Pontes, Office of the Governor Marko Mijic, California Health and Human Services Agency Kim Johnson, California Department of Social Services Kris Cook, Human Services, California Department of Finance Gustavo Velasquez, California Department of Housing and Community Development **County Caucus**