



CWDA

Advancing Human Services
for the Welfare of All Californians

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To: The Honorable Susan Talamantes Eggman
Chair, Senate Budget Subcommittee No. 3

Honorable Members
Senate Budget Subcommittee No. 3

The Honorable Dr. Joaquin Arambula
Chair, Assembly Budget Subcommittee No. 1

Honorable Members
Assembly Budget Subcommittee No. 1

From: Cathy Senderling-McDonald, CWDA Executive Director

**RE: CHILD WELFARE SERVICES: BUILDING UPON THE
CONTINUUM OF CARE REFORM (CCR)**

The County Welfare Directors Association (CWDA) urges the Legislature to consider additional investments to support foster children, youth, families and caregivers that will stabilize the current service array and better enable California to realize the goals of the Continuum of Care Reform (CCR) effort, as adopted pursuant to AB 403 (Stone, Ch. 773, Statutes of 2015).

Continuum of Care Reform Work is Unfinished

In 2015, the Legislature enacted the CCR to reduce the use of congregate care, increase home-based services, and improve outcomes by leveraging critical supports and services, including mental health, for children and youth served by the child welfare system. AB 403 took effect on January 1, 2017. In the five years since initial implementation, counties continue to struggle to meet CCR goals. Recent trends, including a growing children's mental health crisis, both highlight the gaps in and threaten to destabilize the continuum of care.

It is important to emphasize that CCR has achieved some success. Since 2015, the number of licensed congregate care facilities (group homes) has been reduced by nearly 50 percent, and counties have reduced placements into congregate care settings by 45 percent. Yet, other measures lag behind these gains. Notably, the percentage of placements into family-based settings (relatives, non-related extended family-members, and other resource families) has remained relatively flat. Additionally, CCR established Short-Term Residential

Therapeutic Programs (STRTPs) as congregate care settings designed to provide intensive therapeutic interventions including behavioral health services for up to six months, but the one-size-fits-all model does not meet the varying needs of foster youth with acute needs. CCR also established alternatives to STRTPs, including Intensive Services Foster Care (ISFC) and, as a result of the Katie A. Settlement Agreement, a Therapeutic Foster Care (TFC) option. However, TFC is not widely available across California; as of March 31, 2021 (last data available) there were only 22 providers across 12 counties.

Counties continue to face significant challenges in finding appropriate, trauma-informed care options, both family-based and in congregate settings, for foster youth with more complex needs. Pandemic-related challenges – including workforce shortages and a growing children’s mental health crisis nationwide – have exacerbated these issues. In addition, recent federal directives requiring all STRTPs to make program changes and reduce the number of youth they serve in order to meet Institutions for Mental Disease (IMD) requirements have further reduced availability of needed programs and services. These significant issues will take time to resolve.

While initial reductions in STRTP placement capacity due to CCR were welcome, the continued loss of these options is now at a crisis level. The Los Angeles County Department of Children and Family Services reports that between August 2019 to October 2021, their county experienced a loss of 405 beds due to STRTP program closures and programs reducing their capacity due to the STRTP model not being viable and the impending IMD issue. Recent statewide data shows that between December 2020 and December 2021, 21 California-based facilities closed, resulting in a loss of 244 therapeutic treatment beds for foster youth.

As a result of these trends, county child welfare agencies report an increase in youth running away, youth staying longer and sometimes unnecessarily in hospital settings, and—when there are no other options—youth staying in county offices, hotels, or other temporary settings. These settings are not appropriate for foster youth, especially youth with complex needs. Additional care and treatment alternatives *dedicated to serving foster youth* are urgently needed, with greater State-level involvement as a partner in supporting these foster youth. Specifically, California counties need the support of state agencies, including the Departments of Social Services, Health Care Services, and Developmental Services, to implement and enforce licensing and regulatory standards, identify statewide gaps in the continuum of care for foster youth and families and work with the Legislature and counties to fill those gaps, consistent with AB 2083 (Ch. 815, Statutes of 2018) requirements that have yet to be implemented.

On the other hand, proposals that have invested in families, and especially relative-based caregivers, have proven successful. For example, the Family Urgent Response System (FURS) established a statewide and county mobile response system for current and former foster children, youth and their caregivers. Programs such as the Emergency Child Care Bridge Program for Foster Children and funding for Relative Placement Prior to Approval have led to increases in initial placements into relative-based care, from 27 percent in 2016

to 34 percent in 2021. However, California can do better to increase relative-based care and support family-based care options. Family-based care options have become limited during the pandemic due to concerns over resource parents' own health and safety, and elimination of programs such as the Foster Parent Recruitment, Retention and Support (FPRRS) Program. The loss of dedicated funding previously provided through FPRRS has strained counties' ability to recruit and retain relatives and other family-based caregivers.

Filling the Gaps in the Continuum

Investments in family-based care should remain a top priority while we also attend to the unmet needs of foster youth with complex trauma. There is an urgent need for more investment in youth with complex trauma to prevent undesired consequences including hospitalization, running away, and death. A moratorium on out-of-state placements, which goes into effect January 1, 2023, necessitates additional immediate and on-going investment into services and the child welfare workforce, both of which are crucial to supporting foster youth and their families.

CWDA requests \$321.4 million General Fund (GF) for the following immediate investments to address the gaps across the entire care continuum:

1. **Resource Family Approval (RFA) Funding:** Please refer to our budget memo focused on this and related issues. This is a cornerstone of ensuring the availability of adequate numbers of qualified resource families. The cost of funding the RFA county workload is \$100 million GF.
2. **Family-Based Services Component:** Without adequate supports and services for family-based care, foster youth are more likely to have unmet needs that can quickly escalate and result in the need for short-term stays in congregate care settings. This component includes re-authorizing the Foster Parent Recruitment, Retention and Support (FPRRS) Program; establishing a statewide program of early family-finding and engagement; modifying the Family Urgent Response System; modifying the current AB 2944 specialized rates and Intensive Services Foster Care (ISFC) program; and establishing a state-level grant program to promote substance-use treatment services delivered through family-based settings. The total cost of this component is \$121.3 million GF.
3. **Transition-Aged Youth and Caregiver Insurance Package:** Supports to older youth who will be transitioning from foster care are critical to enabling them to achieve their own goals as adults, and the caregivers who support them need greater support to also help achieve those goals. This component requires DSS to establish, with stakeholder input, a new licensing category to provide family-based transitional housing for foster youth age 16-21 in order to maximize federal matching funding; modifies and expands the current Independent Living Program to serve former foster youth up to age 23; and modifies the current Foster Home and Small Family Home insurance Fund to cover caregiver expenses related to the care of foster youth; The

total cost of this component is \$23.5 million GF.

4. **Congregate Care Services Component:** For youth whose acute trauma necessitates higher levels of care, the array of congregate care options needs to evolve to meet the varying needs of youth. This component includes a stakeholder-driven re-examination of the STRTP structure, rates, and services to improve quality of care and outcomes; implementing immediate changes to require STRTPs to re-admit foster youth who are temporarily hospitalized ; establishing a system of Intensive Assessment and Transition Care options at the county and state levels; and requiring the Department of Social Services to identify an automated solution for more timely identification and matching of foster youth to settings and caregivers that best meet their needs. The total cost of this component is \$9.8 million GF.
5. **Complex Care Component:** This component builds upon the investments made in the 2021-22 State Budget Act, which provided \$139.1 million GF in mostly one-time investments for foster youth with the most acute and complex needs. The proposals in this component amend current law to ensure funding is allocated and immediately available to meet youth's needs while clarifying allowable uses of the funds; provides funding to reduce social worker caseloads and/or increase staffing to support intensive case management; invests in county probation agencies for intensive services and supports to reduce incidence of juvenile justice involvement; augments the current rate to Community Treatment Facilities (the highest level of care below hospital-based services); and establishes a pilot program to leverage funding and coordinate care across multiple, county-based or regionally-based agencies, aligned with AB 2083 mandates. The total cost of this component is \$37.0 million GF.
6. **Regional Center Services Component:** For foster youth screened for possible intellectual/developmental disabilities, there is a need to prioritize foster youth so they can receive timely access to services. This component includes a proposal to provide those youth, including candidates of foster care, with provisional eligibility to regional center services provided under the Lanterman Act, for up to 12 months while receiving child welfare services. It also provides funding to the Department of Developmental Services to established additional residential care options for youth with more complex needs, based on the AB 2083 gaps analysis, and provides regional centers with staffing related to serving youth in transition from assessment centers or other temporary settings. The total cost of this component is \$30.0 million GF.

Attached is a chart that shows each of the proposals within each component and their specific costs. We believe these investments are necessary to address major gaps in services and supports and to achieve the State's vision for CCR. Thank you for your consideration of this request.

cc: Chris Woods, Office of the Senate President Pro Tempore
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Jason Sisney, Office of the Speaker of the Assembly
Kelsy Castillo, Office of the Speaker of the Assembly
Renita Polk, Senate Budget and Fiscal Review Subcommittee No. 3
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