

# California State Assembly



## Informational Hearing Agenda

### Assembly Budget Subcommittee No. 2 on Human Services

Assemblymember Dr. Corey Jackson, Chair

Wednesday, March 12, 2025

1:30 P.M. – State Capitol, Room 126

(Please note room change.)

Items To Be Heard		
Item	Description	Page
<b>5180</b>	<b>Department of Social Services</b>	<b>5</b>
Issues	<ol style="list-style-type: none"><li>1. Proposal on Mandated Reporting</li><li>2. Proposal for a Multiagency Office on Foster Care</li><li>3. Proposal to Continue and Expand Promise Neighborhoods</li><li>4. Implementation of New Foster Care Tiered Rate Structure</li><li>5. CWS-CARES Automation Project Update and Governor's Budget Change Proposal</li><li>6. BH-CONNECT Initiative for Child and Family Team Meetings for Family Maintenance Cases, Joint Visits, and Activity Stipends</li><li>7. Expenditure of Remaining Funds and Ceasing of Bringing Families Home Program</li><li>8. Local Child Support Agency Funding and Child Support Pass-Through</li><li>9. Review of Federal Threats and Possible Impacts for Child Welfare/Foster Care, Community Care Licensing, and Child Support Services</li><li>10. Impact of Los Angeles Fires on Foster Youth, Community Care Licensing, and Child Support Services</li><li>11. Non-Presentation Issues</li></ol>	<ol style="list-style-type: none"><li>5</li><li>7</li><li>8</li><li>9</li><li>16</li><li>22</li><li>26</li><li>29</li><li>33</li><li>34</li><li>36</li></ol>

## Panels

### 5180 Department of Social Services (DSS)

#### Issue 1: Proposal on Mandated Reporting

- Roger De Leon Jr., Father with Lived Experience/Co-Chair of the Mandated Reporting to Community Supporting (MPCS) Task Force/Consultant/Parent Partner
- Dana E. Blackwell, Senior Director of CA Strategic Consulting, Casey Family Programs
- Jennifer Troia, Director & David Swanson Hollinger, Chief Deputy Director, California Department of Social Services
- Diana Boyer, Director of Policy for Child Welfare and Older Adult Services, County Welfare Directors Association of California (CWDA)
- Tiffany Whiten, Senior Government Relations Advocate, California State Council of the Service Employees International Union (SEIU)
- Kia Cha, Principal Program Budget Analyst, Department of Finance
- Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

#### Issue 2: Proposal for a Multiagency Office on Foster Care

- Simone Tureck Lee, Director of Housing and Economic Mobility, John Burton Advocates for Youth (JBAY)
- Jennifer Troia, Director, California Department of Social Services
- Kia Cha, Principal Program Budget Analyst, Department of Finance
- Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

#### Issue 3: Proposal to Continue and Expand Promise Neighborhoods

- Edgar Chavez, Executive Director, Hayward Promise Neighborhood
- Jennifer Troia, Director, California Department of Social Services
- Kia Cha, Principal Program Budget Analyst, Department of Finance
- Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

#### Issue 4: Implementation of New Foster Care Tiered Rate Structure

- Jennifer Troia, Director & Angie Schwartz, Deputy Director, Children and Family Services Division, California Department of Social Services
- Kim Lewis, Legislative Advocate, Aspiranet
- Diana Boyer, Director of Policy for Child Welfare and Older Adult Services, County Welfare Directors Association of California (CWDA)
- Kia Cha, Principal Program Budget Analyst, Department of Finance
- Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

**Issue 5: CWS-CARES Automation Project Update and Governor’s Budget Change Proposal**

- Jessica Rougeux, Branch Chief, Child Welfare System Branch, California Department of Social Services
- Cynthia Tocher, Deputy Director, Child Welfare Digital Services, Office of Technology and Solutions Integration
- Kia Cha, Principal Program Budget Analyst, Department of Finance
- Brian Metzker, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office

**Issue 6: BH-CONNECT Initiative for Child and Family Team Meetings for Family Maintenance Cases, Joint Visits, and Activity Stipends**

- Angie Schwartz, Deputy Director, Children and Family Services Division, California Department of Social Services
- Diana Boyer, Director of Policy for Child Welfare and Older Adult Services, County Welfare Directors Association of California (CWDA)
- Kia Cha, Principal Program Budget Analyst, Department of Finance
- Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office

**Issue 7: Expenditure of Remaining Funds and Ceasing of Bringing Families Home Program**

- Hanna Azemati, Deputy Director, Housing and Homelessness Division & Angie Schwartz, Deputy Director, Children and Family Services Division, California Department of Social Services
- Diana Boyer, Director of Policy for Child Welfare and Older Adult Services, County Welfare Directors Association of California (CWDA)
- Kia Cha, Principal Program Budget Analyst, Department of Finance
- Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office

**Issue 8: Local Child Support Agency Funding and Child Support Pass-Through**

- Kristen Donadee, Director, California Department of Child Support Services
- Nan Chen, Chief Financial Officer, California Department of Child Support Services
- Michael Smitsky, Executive Director, Child Support Directors Association of California
- Rebecca Gonzales, Policy Advocate, Western Center on Law & Poverty
- Kayla Knott, Finance Budget Analyst, Department of Finance
- Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office

**Issue 9: Review of Federal Threats and Possible Impacts for Child Welfare/Foster Care, Community Care Licensing, and Child Support Services**

- Jennifer Troia, Director, California Department of Social Services
- Kristen Donadee, Director, California Department of Child Support Services
- Kia Cha, Principal Program Budget Analyst, Department of Finance
- Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office

**Issue 10: Impact of Los Angeles Fires on Foster Youth, Community Care Licensing, and Child Support Services**

- Jennifer Troia, Director, California Department of Social Services
- Kristen Donadee, Director, California Department of Child Support Services
- Kia Cha, Principal Program Budget Analyst, Department of Finance
- Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office

**Public Comment will be taken (in person only) after the completion of all panels and discussion, and this Public Comment will be for all issues covered in the hearing, including issues in the Non-Presentation part of the agenda (under Issue 11).**

**Thank you.**

## Items To Be Heard

### 5180 Department of Social Services (DSS)

#### Issue 1: Proposal on Mandated Reporting

**Mandated Reporting Reform.** This proposal from the Chair aims to reform California’s mandated reporting system by establishing an alternative response approach for reporting general neglect cases. In brief, this proposal would require county child welfare agencies to use community-based services instead of traditional investigations in such cases, following guidelines set by the California State Department of Social Services (CDSS).

This proposal would also standardize training for all mandated reporters, requiring completion within three months of employment, and would authorize CDSS to audit to ensure compliance. It would also require the state to analyze disparities in the child welfare system, submit annual reports to the Legislature until 2040, and provide updates on funding guidance. Additionally, the proposal creates a Mandated Reporter Advisory Committee to oversee these reforms and reduce systemic inequities in child welfare.

#### Panel

#### Questions for the Panel:

- ◇ How best can the state support counties in establishing and maintaining this alternative response approach?
  - ◇ Relative to uniform training, should the state reconsider who should be classified as a “mandated reporter”?
  - ◇ Are the time frames within the proposal consistent with best practices for this kind of reform?
  - ◇ Finally, does this reform capture the needed changes to ensure that we are not overreporting cases, unduly causing trauma for families?
- Roger De Leon Jr., Father with Lived Experience/Co-Chair of the Mandated Reporting to Community Supporting (MRCS) Task Force/Consultant/Parent Partner
  - Dana E. Blackwell, Senior Director of CA Strategic Consulting, Casey Family Programs
  - Jennifer Troia, Director & David Swanson Hollinger, Chief Deputy Director, California Department of Social Services
  - Diana Boyer, Director of Policy for Child Welfare and Older Adult Services, County Welfare Directors Association of California (CWDA)
  - Tiffany Whiten, Senior Government Relations Advocate, California State Council of the Service Employees International Union (SEIU)

- Kia Cha, Principal Program Budget Analyst, Department of Finance
- Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office

**LAO Comments**

The Legislative Analyst’s Office (LAO) released a report last year titled [California’s Child Welfare System: Addressing Disproportionalities and Disparities](#). In this report the LAO discusses the complex drivers of disproportionalities, the front-end policy areas impacting child welfare system involvement, and options to begin addressing front-end disproportionalities and disparities.

**Staff Comments**

The Chair has asked for this issue, which is a high priority for him, to be agendized for discussion. Chair Jackson is interested in improving service delivery for more families to aid in alleviating the conditions around poverty that may lead to crisis and child neglect. Providing more supports and services for families in crisis is a critical strategy in the child welfare prevention effort.

The Chair cites the recommendations of the Mandated Reporting to Community Support (MRCS) Task Force of the California Health and Human Services Agency Child Welfare Council. Details and the work of the Task Force can be found [here](#).

**Staff Recommendation:** Hold open.

**Issue 2: Proposal for a Multiagency Office on Foster Care**

**Multiagency Office on Foster Care.** This proposal from the Chair would establish the Foster Care Multiagency Office (Office) within the California Health and Human Services Agency to improve foster care placement, stability, and access to comprehensive healthcare, including mental health services. The proposal would create the Chief Foster Youth Advocate to lead the Office with the authority to direct state and county agencies to ensure children receive required services and stable placements.

By December 1, 2026, the Office must create a Foster Care Multiagency Office Committee to develop recommendations for improving foster care, creating better data sharing, and developing legislative policy. Starting December 1, 2027, the Office must submit annual reports to the Legislature and Governor, including policy and budget recommendations. The Office would be broadly authorized to collaborate with relevant state and county agencies to fulfill its mission.

**Panel****Questions for the Panel:**

- ◇ While this proposal is specific, and something this subcommittee discussed last year, what gaps, tensions, and alternatives may exist for the creation of this Multiagency Office on Foster Care?
- ◇ Are the timelines laid forth in the proposal feasible?
- ◇ Are there other recommendations or suggestions this subcommittee should consider regarding the creation of the Foster Care Multiagency Office?
  - Simone Tureck Lee, Director of Housing and Economic Mobility, John Burton Advocates for Youth (JBAY)
  - Jennifer Troia, Director, California Department of Social Services
  - Kia Cha, Principal Program Budget Analyst, Department of Finance
  - Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

**Staff Comments**

The Chair has asked for this proposal to be agendaized for discussion. This issue was heard last year in this subcommittee on April 3, 2024 and the associated agenda can be accessed [here](#).

**Staff Recommendation:** Hold open.

**Issue 3: Proposal to Continue and Expand Promise Neighborhoods**

**Proposal to Continue and Expand Promise Neighborhoods.** This proposal seeks to continue and expand current program funding to the California Department of Social Services (CDSS) for its four Promise Neighborhood programs, located in Chula Vista, Corning (Paskenta Band of Nomlaki Indians), Hayward, and Mission. The aim of the California Promise Neighborhood program is to revitalize economically disadvantaged communities through the establishment of a cradle-to-career network of services aimed at improving the health, safety, and education of the occupants in the defined area. The 2022-23 Budget included \$12 million General Fund one-time for CDSS to support the four sites listed above through June 30, 2025.

The advocacy proposal is for \$17.5 million General Fund one-time to provide \$3 million each over a three-year period for the four Promise Neighborhoods (\$12 million) and \$750,000 each for four regional organizations currently operating across California (\$3 million). Remaining funds (\$2.5 million) would support administration, oversight, and evaluation by CDSS.

**Panel****Questions for the Panel:**

- ◇ What does the data tell us thus far about the progress of this program?
  - ◇ How much time and funding does the state need to invest to ensure this program continues to be successful?
  - ◇ Are there “lessons learned” about what we may change to improve the outcomes and sustainability of Promise Neighborhood sites if the state were to continue to invest and expand this initiative?
- Edgar Chavez, Executive Director, Hayward Promise Neighborhood
  - Jennifer Troia, Director, California Department of Social Services
  - Kia Cha, Principal Program Budget Analyst, Department of Finance
  - Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office

**Staff Comments**

The Chair has asked for this proposal to be agendaized for discussion.

**Staff Recommendation:** Hold open.



**Issue 4: Implementation of New Foster Care Tiered Rate Structure**

**Continuum of Care Reform and Current Foster Care Payment Structure.** The Continuum of Care Reform (CCR) is a series of state legislation enacted over the past decade making fundamental changes to the way the state cares for youth in the foster care system. As part of implementing CCR, the state developed a new foster care maintenance payment rate structure to replace the previous age-based and group home rate structure.

Under CCR, foster care rates are based on the assessed level of need of individual youth (“level of care” or LOC), with youth requiring higher levels of behavioral health supports and other more therapeutic and intensive services receiving higher rates. Since 2017, the state has been implementing interim LOC rates for resource families, Short-Term Residential Therapeutic Programs (STRTPs), Foster Family Agencies (FFAs), Intensive Services Foster Care (ITFC), and other specialized models of foster care.

**New Foster Care Tiered Rate Structure.** The 2024-25 spending plan amended and added substantial new statutory language establishing the permanent rate structure, which is now referred to as the Tiered Rate Structure, and extending the duration of the interim rate period until permanent rates can be implemented, pursuant to Assembly Bill (AB) 161 (Committee on Budget, Chapter 46, Statutes of 2024). The Tiered Rate Structure will rely on data collected via the state’s functional assessment tool—the Integrated-Practice Child and Adolescent Needs and Strengths (IP-CANS) assessment—to determine a youth’s needed level of care or “tier” and the corresponding rate, which will not depend on placement types. In other words, a youth will be able to receive the same level of financial support and services whether they are placed with a resource family, in an STRTP, or another placement type.

In addition to restructuring foster care maintenance payments, the 2024-25 statutory changes also added two new foster care programs and corresponding rate components – the Strengths Building and Child and Family Determination Program and the Immediate Needs Program. Over the next few years, the California State Department of Social Services (CDSS) will work toward implementation—in terms of developing detailed program guidance and taking other necessary steps to implement the Tiered Rate Structure—with the new rates slated to begin rolling out to youth and caregivers starting July 1, 2027.

Rates will consist of three components: (1) A Care and Supervision Rate ranging from \$1,788 to \$6,296; (2) Strengths Building Funding ranging from \$500 to \$900; and (3) Immediate Needs Funding ranging from \$0 to \$4,100. Certain placement providers will also be eligible for an Administrative Rate ranging from \$1,610 to \$7,213. Only the Care and Supervision and Administrative rates will be adjusted annually for inflation based on the California Necessities Index. Placement providers and caregivers for all children/youth, except non-minor dependents (NMDs) placed in Supervised Independent Living Placements (SILPs) or the Transitional Housing Placement for Non-Minor Dependents (THP-NMD), will receive a Care and Supervision Rate consistent with their tier. NMDs in SILPs will only be eligible for tier 1 rates, regardless of their IP-CANS score. THP-NMD providers will continue to receive the existing THP-NMD rate along with the THP-NMD Housing Supplement, in lieu of the tier-based Care and Supervision Rate.

All youth will be eligible for Strengths Building Funding, however NMDs placed in SILPs will receive their Strengths Building Funding directly, along with their Care and Supervision Rate for a monthly total of \$2,288. All youth who place into tier 2 or higher will be eligible for Immediate Needs Funding, except those placed in a SILP.

The following chart from the LAO captures the amounts across the programs available to the various tiers.

**New Permanent Foster Care Rate Structure: Rate Components Vary Across Tiers**

	Overall Profile of Youth	Estimated Proportion of Foster Youth <sup>a</sup>	Care and Supervision Funding <sup>b,c</sup>	Strength Building and Maintenance Funding <sup>d</sup>	Immediate Needs Funding <sup>e</sup>	Administrative Funding <sup>e,f</sup>
<b>Tier 1</b>	Children with relatively low levels of need, and non-minor dependents	74 percent	\$1,788 per month	\$500 per month	Not applicable for youth in this tier.	\$1,610 per month to FFA
<b>Tier 2</b>	Children with moderate levels of need	19 percent	\$3,490 per month	\$700 per month	\$1,000 per month	\$2,634 per month to FFA
<b>Tier 3</b>	Children ages 0-5 with the highest levels of need	4.5 percent	\$6,296 per month	\$900 per month	\$1,500 per month	\$2,634 per month to FFA
<b>Tier 3+</b>	Children ages 6+ with the highest levels of need	2.5 percent	\$6,296 per month	\$900 per month	\$4,100 per month	\$7,213 per month to FFA or STRTP

<sup>a</sup>Based on initial analysis of CANS data.

<sup>b</sup>Paid to the caregiver.

<sup>c</sup>These funding components will receive an annual cost-of-living adjustment based on the California Necessities Index.

<sup>d</sup>Child and family work with a contracted Financial Management Coordinator to pay for identified activities, services, goods, and supports.

<sup>e</sup>County or contracted provider coordinates services.

<sup>f</sup>Paid to FFA or STRTP as applicable for recruitment, retention, training, and other administrative activities.

SILP = Supervised Independent Living Placement; FFA = Foster Family Agency; STRTP = Short-Term Residential Therapeutic Program; and CANS = Child and Adolescent Needs and Strengths.

**Governor’s Budget Proposal for Tiered Rate Structure.** To continue preparing necessary automation systems for implementation of the Tiered Rate Structure, the Governor’s budget includes around \$16 million total funds (\$11 million General Fund) in 2025-26 for the California Statewide Automated Welfare System (CalSAWS) and CWS-CARES. In addition, the budget proposal includes \$1.7 million total funds (\$1.2 million General Fund) to support training and fidelity tools for counties on CANS assessments. These activities are discussed further below.

The Tiered Rate Structure implementation costs rise to \$932 million total funds (almost \$749 million General Fund) by the third full year of implementation, in 2029-2030, when 100 percent of new and existing foster care cases are projected to be served under the new structure. The multi-year fiscal for the entire initiative was recently provided by the Administration and is included on the next page, breaking out funding sources and purposes by fiscal year.

**Related Governor’s Budget Change Proposal (BCP).** The Department requests \$1.8 million General Fund in 2025-26 and \$1.7 million General Fund ongoing and nine positions to support the first phase of implementation of the Tiered Rate Structure. Some of these positions will support the Department in measuring CANS Fidelity and providing technical assistance to counties. In addition, the final statutory language for rates implementation requires the inclusion of those with lived experience, including Tribal Representatives, in the development of the permanent rate structure. The requested resources will support the coordination of access to

Lived Experts and ongoing oversight. The Administration states that this proposal is imperative as the Department cannot effectively promote equity and improve how the child welfare system engages children and families without the participation of those who have already lived it.

**Implementation Roadmap from CDSS.** The CDSS explains the implementation of the Tiered Rate Structure as broken into five categories:

1. The Child and Adolescent Needs and Strengths (CANS) and Child and Family Teams (CFT) Fidelity
2. Care and Supervision
3. The Strengths Building Program
4. The Immediate Needs Program
5. Automation of the Tiered Rate Structure

The CDSS explains the timeframe between the authorizing legislation, AB 161, being chaptered in July of 2024 and payments going live in July of 2027 as three phases:

- The Planning Phase: August 2024 – June 2025
- The Preparation Phase: July 2025 – June 2026
- The Early Implementation Phase: July 2026 – June 2027

For each of the five listed components above, CDSS has shared more detailed activities in policy development toward implementation, including instructions to counties via All County Letters (ACLs), stakeholder listening sessions, workgroup meetings, and webinars. There is also inter-reliance with completed milestones in the Child Welfare Services-California Automated Response and Engagement System (CWS-CARES), discussed in the next issue.

**Reporting Requirements.** To facilitate the Legislature's oversight of implementation of the Tiered Rate Structure, statutory requirements adopted in 2024 included a number of reporting requirements, outlined below:

- By April 30, 2025, DSS shall provide an initial update on the preparations for and progress toward full implementation. For example, the update will include trend data on CANS and CFT timeliness, and progress around developing guidelines and standards for the immediate needs and strengths building programs. Both the CANS assessment and a CFT meeting are required by statute to occur as soon as possible, but no later than 60 days of entering foster care, and regularly at least every six months throughout their time in care.
- Beginning October 2025, and on a quarterly basis thereafter until the implementation of the Tiered Rate Structure, DSS shall provide continued updates on preparations for, and progress toward, full implementation.
- By January 10, 2026, DSS shall provide an analysis of: the identified needs of foster youth care in Tiers 2, 3, and 3+; services necessary to address those needs; and a cost analysis of those services.
- Beginning October 2027, DSS shall provide quarterly updates on implementation progress. These updates will include, for example, data around changes in distribution of foster youth across tiers, timeliness of IP-CANS completion, and information about the utilization of strengths building and immediate needs funding. After 18 months of implementation, updates shall be provided on a biannual basis, or twice a year.

**Tiered Rate Structure Multiyear<sup>1</sup> (000s)**

(000s)

**FY 2024-25**

Funding	Total	Federal	State	County
Automation	\$ 5,062	\$ 2,531	\$ 2,531	\$ -
<b>Total</b>	<b>\$ 5,062</b>	<b>\$ 2,531</b>	<b>\$ 2,531</b>	<b>\$ -</b>

**FY 2025-26**

Funding	Total	Federal	State	County
Automation	\$ 15,514	\$ 4,702	\$ 10,812	\$ -
County Administration	\$ 1,655	\$ 438	\$ 1,217	\$ -
State Operations	\$ 1,784	\$ -	\$ 1,784	\$ -
<b>Total</b>	<b>\$ 18,953</b>	<b>\$ 5,140</b>	<b>\$ 13,813</b>	<b>\$ -</b>

**FY 2026-27**

Funding	Total	Federal	State	County
County Administration	\$ 1,655	\$ 438	\$ 1,217	\$ -
State Operations	\$ 1,734	\$ -	\$ 1,734	\$ -
<b>Total</b>	<b>\$ 3,389</b>	<b>\$ 438</b>	<b>\$ 2,951</b>	<b>\$ -</b>

\*Reflects 0% caseload intake.

**FY 2027-28**

Funding	Total	Federal	State	County
Care and Supervision <sup>2</sup>	\$ 120,632	\$ 56,265	\$ 53,942	\$ 10,425
Strength Building	\$ 171,898	\$ 7,592	\$ 164,306	\$ -
Immediate Needs	\$ 120,950	\$ -	\$ 120,950	\$ -
County Administration	\$ 25,510	\$ 6,760	\$ 18,750	\$ -
State Operations	\$ 1,734	\$ -	\$ 1,734	\$ -
<b>Total</b>	<b>\$ 440,724</b>	<b>\$ 70,617</b>	<b>\$ 359,682</b>	<b>\$ 10,425</b>

\*Reflects 50% caseload intake year 1.

**FY 2028-29**

Funding	Total	Federal	State	County
Care and Supervision	\$ 204,194	\$ 93,295	\$ 94,694	\$ 16,205
Strength Building	\$ 257,847	\$ 11,388	\$ 246,459	\$ -
Immediate Needs	\$ 181,425	\$ -	\$ 181,425	\$ -
County Administration	\$ 37,438	\$ 9,920	\$ 27,517	\$ -
State Operations	\$ 1,734	\$ -	\$ 1,734	\$ -
<b>Total</b>	<b>\$ 682,638</b>	<b>\$ 114,604</b>	<b>\$ 551,829</b>	<b>\$ 16,205</b>

\*Reflects 75% caseload intake year 2.

**FY 2029-30**

Funding	Total	Federal	State	County
Care and Supervision	\$ 295,391	\$ 132,756	\$ 140,301	\$ 22,335
Strength Building	\$ 343,797	\$ 15,184	\$ 328,612	\$ -
Immediate Needs	\$ 241,900	\$ -	\$ 241,900	\$ -
County Administration	\$ 49,365	\$ 13,081	\$ 36,284	\$ -
State Operations	\$ 1,734	\$ -	\$ 1,734	\$ -
<b>Total</b>	<b>\$ 932,187</b>	<b>\$ 161,021</b>	<b>\$ 748,831</b>	<b>\$ 22,335</b>

\*Reflects 100% caseload intake year 3.

<sup>1</sup>The multiyear reflects DSS costs for the Tiered Rate Structure and does not include DHCS limited-term costs of \$400,000 General Fund and \$400,000 federal funds annually from FY 2024-25 through FY 2026-27.

<sup>2</sup>Care and Supervision costs are inclusive of Provider Administration.

**Panel****Questions for the Panel:**

- ◇ Please explain what critical steps are occurring in the current year and are planned for 2025-26 to ensure successful implementation of the Tiered Rate Structure on July 1, 2027? Are there any barriers or unanticipated issues that could result in a delay past July 1, 2027?
  - ◇ What is the plan for the CANS model fidelity and training support and what is the feedback from the counties on this cornerstone component of preparation?
  - ◇ What priority issues are stakeholders, including foster youth and caregivers, raising that require discussion, clarification, and additional policy-setting for the Tiered Rate Structure?
  - ◇ DSS, please speak to where we are as a state and where counties are in timely completion of CANS assessments and child and family team meetings. Is DSS meeting statutory requirements and if not, what efforts will be made toward improvement so that DSS is meeting the standard before implementation of the Tiered Rate Structure, if that is the goal?
  - ◇ How does implementation of the Tiered Rate Structure relate to milestones that needs to be met in the Child Welfare Services-California Automated Response and Engagement System (CWS-CARES) and in the implementation of DSS supports and services under the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) federal waiver project? [If panelists are unable to address this question under this item due to time constraints, please address it under the next two issues that focus on these other programs. Thank you.]
- Jennifer Troia, Director & Angie Schwartz, Deputy Director, Children and Family Services Division, California Department of Social Services
  - Kim Lewis, Legislative Advocate, Aspiranet
  - Diana Boyer, Director of Policy for Child Welfare and Older Adult Services, County Welfare Directors Association of California (CWDA)
  - Kia Cha, Principal Program Budget Analyst, Department of Finance
  - Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

**LAO Comments**

The LAO is raising the following questions for Legislative consideration (there are elements of these in the questions outlined above for the panelists). Additional information from the LAO on the Child Welfare budget is available in their [recent post](#).

When reviewing the administration's proposal for initial funding around the Tiered Rate Structure in the budget year, some questions for the Legislature to consider asking the Administration include the following:

- ◇ What will the proposed training and fidelity tools for counties on CANS assessments entail?
- ◇ Aside from CANS assessments, are there other processes implemented as part of CCR with which counties could benefit from state assistance prior to implementing the Tiered Rate Structure?
- ◇ What are the major implementation milestones that will need to be completed prior to initial roll out of the new rates to families in 2027? Has the Department developed a roadmap indicating anticipated timing for achieving these milestones to be shared broadly with the Legislature and stakeholders?

### **Staff Comments**

CDSS is required to provide an initial update on the preparations for, and progress toward, full implementation of the Tiered Rate Structure by April 30, 2025. The Subcommittee has the opportunity to elevate issues of particular interest or concern for this first update.

Some additional questions that stakeholders have asked include:

- ◇ How is CDSS ensuring there are no unintended barriers to permanency, and that children and youth receive adequate funding to support their care?
- ◇ What are the specific conditions in which a child who receives AAP and Kin-GAP benefits may receive a rate that exceeds Tier 1 Care and Supervision but does not exceed Tier 2 Care and Supervision?
- ◇ Will the April 30, 2025 report include the metrics that the CDSS is considering to track and report on the use of Strengths Building funds, so the Legislature and stakeholders can weigh in on whether there are other measures that should be included?
- ◇ Can CDSS provide a preview of the findings that CDSS will be reporting from the CANS workgroup, including fidelity of the IP-CANS and the IP-CANS and child and family team completion, and more specifically IP-CANS and child and family team timeliness, progress towards implementing shared IP-CANS, and trend data?
- ◇ The Tiered Rate Structure statute mandates CDSS to conduct an analysis of the Immediate Needs of children in Tier 2, 3, and 3+ and the types of services necessary to address those needs, reasonable administration and operational activities necessary for providers to address those needs, and a cost analysis of those services (this is due by January 10, 2026). When does CDSS anticipate the work of the Public Consulting Group, who is conducting this analysis for CDSS, to be completed and will that analysis be shared

with the Legislature and public? How will that analysis inform any proposed changes or alterations?

- ◇ The Tiered Rate Structure statute requires CDSS to publish guidance on the implementation of high-fidelity wraparound services, which must also address reducing administrative and programmatic burdens and promote consistent procedures statewide. How is CDSS aligning this work with the DHCS efforts on high-fidelity wrap? Is CDSS considering different levels of high-fidelity wrap for each tier? What is CDSS doing to ensure continuity of care for youth?
- ◇ What is the plan to contract with a Financial Management Coordinator for the implementation of the Strengths Building component?
- ◇ Pursuant to AB 2496 (Pellerin, Chapter 403, Statutes of 2024), CDSS is to work with stakeholders on options to make insurance available to foster family agencies. Please describe the actions taken since the bill became law on September 22, 2024. What barriers does CDSS see to identifying a proposed solution?

**Staff Recommendation:** Advocates have posed a series of additional questions that are included under the staff comments section for this issue. If these are not sufficiently addressed in the hearing, staff recommends that the Chair request that the Administration communicate directly with advocates and other interested stakeholders in response to these inquiries as soon as possible.

Hold open.

**Issue 5: CWS-CARES Automation Project Update and Governor’s Budget Change Proposal**

**Project Background and Overview.** The Child Welfare Services-California Automated Response and Engagement System (CWS-CARES) information technology (IT) project will replace the current child welfare case management system as the state’s comprehensive and federally compliant child welfare data system. The system has been under development for more than a decade. Initial approval for the project to develop CWS-CARES was provided in 2013. The project is jointly managed by CDSS and the Office of Technology and Solutions Integration (OTSI). Total project costs are projected to be around \$2 billion total funds (\$1 billion General Fund). However, the Administration is updating its financial analysis for the project and updated cost estimates are forthcoming. Version 1 of CWS-CARES (V1) is anticipated to launch statewide in October 2026 and the second version, V2, will launch in April 2028.

**Governor’s Budget Proposal for CWS-CARES for 2025-26.** To continue implementing the CWS-CARES project, \$256 million total funds (\$130 million General Fund) is proposed under child welfare local assistance. An additional \$93 million (\$46 million General Fund) in prior-year savings and additional new funding would be available pursuant to provisions in proposed budget bill language. Additional expenditure authority is also requested by OTSI. Major project milestones for 2025-26 are expected to include the design, build, and testing of numerous system modules related to case plans, aftercare, adoptions, hearings, facilities, tracking costs and claiming, and tracking service delivery. Total project cost details through 2028 are detailed in the chart, provided by the Administration, below. “CARES-Live” refers to the functionality in maintenance and operations today (since 2019), including Child Welfare History Snapshot, Facility Search, and CANS Assessment.

<b>Project Costs (One-Time and Continuing)</b>	<b>CARES Costs</b>	<b>CARES-Live Costs</b>
Staff (Salaries & Benefits)	\$111,625,168	\$20,707,213
Consulting & Prof. Services: Interdepartmental	\$16,684,205	\$3,121,222
Consulting & Prof. Services: External	\$969,938,348	\$85,876,580
Consolidated Data Centers	\$25,561,033	\$4,883,746
Information Technology	\$179,485,291	\$3,375,931
Misc. OE&E Rollup (Departmental Services; Central Administrative Services; Office Equipment; Other; Unclassified/Special Adjustment; Local Assistance)	\$227,183,327	\$21,217,358
<b>Total Project Costs (One-Time and Continuing):</b>	<b>\$1,530,477,372</b>	<b>\$139,182,050</b>
<b>Future Ops. IT Staff &amp; OE&amp;E Costs (Maintenance &amp; Operations)</b>	<b>CARES Costs</b>	<b>CARES-Live Costs</b>
Staff (Salaries & Benefits)	\$32,219,160	\$20,141,187
Consulting & Prof. Services: Interdepartmental	\$2,575,306	\$1,976,783
Consulting & Prof. Services: External	\$82,109,226	\$36,366,000
Consolidated Data Centers	\$9,878,543	\$29,161,674
Information Technology	\$39,833,683	\$5,232,437
Misc. OE&E Rollup (Departmental Services; Central Administrative Services; Office Equipment; Other; Unclassified/Special Adjustment; Local Assistance)	\$13,918,154	\$18,932,029
<b>Total Future Ops. IT Staff &amp; OE&amp;E (Maintenance &amp; Operations):</b>	<b>\$180,534,072</b>	<b>\$111,810,111</b>
	<b>Total CARES Costs</b>	<b>Total CARES-Live Costs</b>
	<b>\$1,711,011,444</b>	<b>\$250,992,161</b>
<b>Total Project Costs</b>	<b>\$1,962,003,605</b>	



**Project Milestones.** The following figure from the LAO provides a breakdown of CWS-CARES V1 project milestones, completed and remaining, as of January 2025.

### 13 of 37 CWS-CARES V1 Milestones Completed

Child Welfare Service Area <sup>b</sup>	Milestone		Expected Completion Date	Completed
	#	Description		
<b>Resource and Provider Management</b>	1	Service Provider Profile	January 2023	✓
	2	Services	January 2023	✓
<b>Intake</b>	3	Screening	March 2023	✓
	4	Investigations: Engagement	July 2023	✓
	5	Investigations: Determination	August 2023	✓
<b>Case Management</b>	6	Case Management: Engagement	December 2023	✓
	6.1	Prevention Services	December 2025	✓
	7	Case Plan	December 2025	
	7.1	CMA Interface	December 2025	
	8	Placement	April 2024	✓
	9	Case Management: Engagement and Services	December 2025	✓
	10	Case Closure	December 2025	
	10.1	SDM	July 2025	
	11	Aftercare and Re-Entry	December 2025	
	13	Adoption	December 2025	
<b>Courts</b>	14	Warrants	December 2024	✓
	15	Court Hearing Framework	February 2025	✓
	15.1	JNET Interface	December 2024	✓
	16	Jurisdiction and Disposition Hearing	December 2025	
	17	Status Reviews	December 2025	
<b>Eligibility</b>	18	Other Hearings	December 2025	
	19	Request Determination	February 2025	✓
	20	Redetermine Eligibility and Placement/Information Change	February 2025	
	20.1	FCED Interface	December 2025	
<b>Financial Management</b>	21	Eligibility Programs	December 2025	
	23	Track Administrative Costs	December 2025	
	23.1	Service Delivery Tracking	December 2025	
	23.2	CECRIS Interface	October 2025	
<b>RFA</b>	24	Track Assistance Costs	December 2025	
	26	Maintain Resource Family Home	December 2025	
	26.1	FMS Interface (LIS-FAS Data)	November 2025	
	27	Complaints	December 2025	
	28	Legal Action	December 2025	

<b>Reporting</b>	29	Federal Reports	January 2026
	30	State Reports	January 2026
	31	Ad Hoc Reports	November 2025
	32	Admin Services Console	December 2025

<sup>a</sup>Milestone numbers and descriptions derived from SPR 6.

<sup>a</sup>Milestone numbers and descriptions derived from SPR 6.

<sup>b</sup>Child welfare service areas differ slightly from process areas in the project’s new “holistic design” approach.

CWS-CARES = Child Welfare Services-California Automated Response and Engagement System; V1 = version 1; CMA = Case Management Assessment; SDM = Structured Decisionmaking; JNET = Juvenile Network (San Bernardino County); FCED = Foster Care Eligibility Determination; CECRIS = County Expense Claim Reporting Information System; RFA = Resource Family Approval; FMS = Facility Management System; LIS-FAS = Licensing Information System-Facility Automation System; and, SPR = Special Project Report.

Of the 37 milestones for the project to complete CWS-CARES V1, 13 milestones have been completed across five child welfare service areas as of January 2025. Of the remaining 24 milestones, 22 milestones are scheduled for completion by the end of 2025. Only two milestones—milestone 7.1 (Case Management Assessment) and milestone 26.1 (Facility Management System)—are currently delayed, but the status of each remaining milestone can change month-to-month.

**How It Will Work with the Tiered Rate Structure.** In response to a questions about how CWS-CARES and CalSAWS will work together to automate the Foster Care Tiered Rate structure when it is implemented on July 1, 2027, the Administration provided the following detail:

- **Step 1:** To begin the rates determination process placing agencies, such as Child Welfare and Probation, will complete the Integrated Practice Child and Adolescent Needs and Strengths (IP-CANS) assessment. Placing agencies will complete the IP-CANS assessment in CWS-CARES using an integrated tool called P-CIS, the assessment suite for most child welfare assessments in CWS-CARES.
- **Step 2:** Once the IP-CANS is complete in CWS-CARES and reviewed by a supervisor, CWS-CARES will immediately apply logic to the IP-CANS data to determine the correct Foster Care Rate Tier for the child. This information will be available in real-time to the worker managing that case.
- **Step 3:** Every night CWS-CARES will batch all new and updated child tier assessments completed in CWS-CARES that day and send them in real-time to CalSAWS.
- **Step 4:** Once a child tier rating is received, CalSAWS will accept and verify the rates then automatically update the eligibility foster care case. CalSAWS will add the rate, run Eligibility Determination Benefits Calculation (EDBC) to issue the payment as appropriate, and make the payment directly to the caregivers.
- **Step 5:** Once a payment is issued, CalSAWS will send back to CWS-CARES via the nightly interface information on the payment made to the care giver. CWS-CARES will add this payment information to the child’s case record in CWS-CARES. Further, CalSAWS will continue to send payment information every time a payment is made to the caregiver for that child and CWS-CARES will add that new payment information to the child’s case record.

- **Step 6:** Each time a subsequent IP-CANS is completed for the child, steps 2-5 are repeated to ensure accurate payments are being made based on the most recent assessed tiered rate structure for the child.
- **Step 7:** CWS-CARES will be able to provide robust reporting on the costs per child and the outcomes of interventions as children's IP-CANS are reassessed, including how long children stay in tiers and how many children are in different tiers over time.

### Panel

#### Questions for the Panel:

- ◇ In recent years, the project has significantly underspent its funding allocations. What is the likelihood that the project will fully expend the requested funding for 2025-26?
  - ◇ Are there savings from prior years that the project could use to offset costs in the budget year?
  - ◇ Is the project on track for the anticipated statewide launch of Version 1 in October 2026? What are the risk factors that could delay implementation? What would be the impacts of delayed implementation?
  - ◇ Will CWS-CARES be ready and able to support the implementation of the Tiered Rate Structure?
  - ◇ Has the LAO vetted its recommendation with the Administration and does the Administration have feedback on it? Is there any alternative that could provide General Fund savings and not compromise the project and programs for which it is relied?
- Jessica Rougeux, Branch Chief, Child Welfare System Branch, California Department of Social Services
  - Cynthia Tocher, Deputy Director, Child Welfare Digital Services, Office of Technology and Solutions Integration
  - Kia Cha, Principal Program Budget Analyst, Department of Finance
  - Brian Metzker, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

### LAO Comments

The LAO just released an extensive [analysis](#) on the CWS-CARES project and is raising the following issues for Legislative consideration on this issue.

**Critical Project Milestones Coming in 2025-26 Amid Several Project Risks.** The Child Welfare Services-California Automated Response and Engagement System (CWS-CARES) information technology project continues to make progress. However, an immense amount of work remains in 2025-26, with 22 of the 24 remaining milestones for the first version of CWS-CARES to be completed by December 2025. Several risks, including additional federal scrutiny

on project progress and unanticipated work uncovered through user testing, could delay completion and defer legislative priorities for child welfare programs.

**Project’s Consistent Underspensing of Appropriations Warrants Different Approach to 2025-26 Funding.** The Administration is requesting up to \$349.4 million in 2025-26 for the project in combined funding from requested appropriations (\$256.5 million) and allowable augmentations (up to \$92.9 million). However, over the past two fiscal years, the project has consistently underspent its appropriations—by an estimated \$45 million (or 24 percent) in 2023-24 and a projected \$30.4 million (14 percent) in 2024-25. There are a variety of reasons for this underspending but, taken together, it still raises a number of questions about whether the proposed amount of funding is warranted.

**CWS-CARES IT Project Continues to Underspend Its Appropriations**

(In Millions)

Budget Item	Budget	Expenditures		Total	Percent of Budget
		Actual	Projected		
<b>2023-24<sup>a</sup></b>					
Contract Services	\$122.0	\$95.2	\$8.0	\$103.2	85%
OE&E <sup>b</sup>	27.2	19.6	1.2	\$20.8	76
CCP Costs	23.0	5.2	—	\$5.2	23
Personal Services	14.1	12.1	—	\$12.1	86
<b>Totals</b>	<b>\$186.3</b>	<b>\$132.1</b>	<b>\$9.2</b>	<b>\$141.3</b>	<b>76%</b>
<b>2024-25<sup>a</sup></b>					
Contract Services	\$134.7	\$27.1	\$82.3	\$109.4	81%
OE&E <sup>b</sup>	29.5	5.8	20.7	\$26.5	90
CCP Costs	30.8	1.5	29.3	\$30.8	100
Personal Services	15.9	4.4	9.2	\$13.6	86
<b>Totals</b>	<b>\$210.8</b>	<b>\$38.9</b>	<b>\$141.5</b>	<b>\$180.3</b>	<b>86%</b>

<sup>a</sup>The expenditure tables combine DSS local assistance funding and OTSI expenditure authority for comparative purposes.

<sup>b</sup>The OE&E budget item includes data center services, enterprise services, hardware and software, training, and travel.

CWS-CARES = Child Welfare Services-California Automated Response and Engagement System; IT = information technology; OE&E = operating expenses and equipment; CCP = Core Constituent Participation; DSS = Department of Social Services; and OTSI = Office of Technology and Solutions Integration.

**LAO Recommends Changing Funding Approach, Adopt Placeholder Provisional Budget Bill Language (BBL) With Additional Funding Based on Progress.** The LAO recommends that the Legislature reduce the initial appropriation for this project in 2025-26 to account for the project’s historical underspending and prior-year savings that could be used for budget-year costs. However, the LAO also recommends that the Legislature make available the remainder of proposed funding for the project (meaning no net change in the total funding available) if the

project demonstrates progress consistent with provisional Budget Bill Language (BBL) that conforms with legislative intent. The chart below from the LAO outlines this recommendation.

**Recommended Funding Changes Simplify Appropriations and Make More Funding Based on Project Progress**

(In Millions)

Funding	Total Funds	General Fund
<b>2025-26 Governor’s Budget Proposal</b>		
Appropriation	\$256.5	\$129.9
Allowable Augmentations	92.9	46.4
<b>Proposed Grand Total</b>	<b>\$349.3</b>	<b>\$176.4</b>
<b>Appropriation/Reappropriation Recommendations</b>		
2025-26 Governor’s Budget Proposal - Appropriation	\$256.5	\$129.9
<b>Recommended Funding Changes</b>	<b>-\$71.2</b>	<b>-\$35.8</b>
-10 Percent for Historical Underspending <sup>a</sup>	-25.7	-13.0
-2023-24 Prior Year Savings Amount <sup>a</sup>	-45.6	-22.8
<b>Recommended Appropriation Subtotal</b>	<b>(\$185.3)</b>	<b>(\$94.1)</b>
2023-24 Prior Year Savings Reappropriation	\$45.6	\$22.8
<b>Recommended Appropriation + Reappropriation Subtotal</b>	<b>(\$230.9)</b>	<b>(\$116.9)</b>
<b>Allowable Augmentation Recommendations<sup>b</sup></b>		
2025-26 Governor’s Budget Proposal - Allowable Augmentations <sup>c</sup>	\$92.9	\$46.4
<b>Recommended Funding Changes</b>	<b>\$25.7</b>	<b>\$13.0</b>
+10 Percent from Historical Underspending <sup>a</sup>	25.7	13.0
<b>Recommended Allowable Augmentation Subtotal</b>	<b>(\$118.5)</b>	<b>(\$59.4)</b>
<b>Recommended Grand Total</b>	<b>\$349.4</b>	<b>\$176.3</b>

<sup>a</sup>These changes are non-add items that sum up to the recommended funding changes line.

<sup>b</sup>In addition to the recommended funding changes, all allowable augmentations would be based on the determination of satisfactory progress in placeholder provisional budget bill language.

<sup>c</sup>Includes additional funding of same amount as prior-year savings.

**Staff Comments**

**Staff Recommendation:** Staff recommends that the Chair ask the LAO to vet its recommendation with the Administration and report back on the viability and advantages of this route. Staff also recommends that the LAO look into any alternative that might produce a General Fund savings for 2025-26 and report back to the Subcommittee staff.

Hold open.

**Issue 6: BH-CONNECT Initiative for Child and Family Team Meetings for Family Maintenance Cases, Joint Visits, and Activity Stipends**

The following information was largely provided by the Legislative Analyst's Office (LAO).

**Overview of Waiver Proposal.** The Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) federal Medicaid waiver demonstration project allows the state to use healthcare dollars for certain services and activities that would not otherwise be eligible for federal Medicaid (Medi-Cal in California) funding. Broadly, the intention of the project is to use Medi-Cal funding to enhance community-based behavioral health care services to support individuals facing significant behavioral health challenges. Among other aims, the project seeks to deliver early interventions to reach children and families to help prevent entry into or deepening involvement with the child welfare system. The federal government approved the state's project proposal in December 2024, and the demonstration period is January 1, 2025 through December 31, 2029. Over this period, the state Department of Health Care Services (DHCS), the single state agency for Medicaid in California, making it the supervisory lead for Medicaid spending, estimates around \$8 billion in total funding will support the various components of the project.

**Governor's Budget Proposal for BH-CONNECT Under CDSS.** DHCS is the lead entity for BH-CONNECT and accordingly most funding for the project included in the 2025-26 Governor's budget falls under DHCS (approximately \$1.3 billion total funds, \$40 million General Fund). However, the approved federal waiver includes a new Medi-Cal benefit for eligible foster youth that the California State Department of Social Services (CDSS) will help to implement in coordination with DHCS, as described below.

**Activity Funds.** The demonstration authorizes expenditure authority under federal funds over five years for coverage of "activity funds"—services and items to support the social and emotional well-being of eligible youth involved with the foster care system, AAP, or Family Maintenance Program. To be eligible, a youth must have a behavioral health condition, or be at high risk for a behavioral health condition. The funds may be used for physical wellness activities and goods that promote a healthy lifestyle (such as sports club fees and gym memberships, bicycles, and related safety equipment) as well as for strengths-developing activities (such as music lessons, art lessons, and therapeutic summer camps). Funds must be used for services/items that meet an assessed need and must: (1) promote inclusion in the community; (2) increase safety in the home environment; and/or (3) facilitate age-appropriate participation or autonomy in making decisions that improve physical or behavioral health outcomes.

A health/behavioral health service provider will document the need for these services in a youth's clinical record and coordinate delivery of the activity in collaboration with the youth, their caregiver(s), and social worker, as appropriate. DHCS will contract with a third-party vendor to administer the benefit payments, which will go directly to the activity provider. Funding included in the Governor's budget for DSS to support coordination of the activity funds in 2024-25 (half-year implementation) is \$4.7 million total funds (\$3.5 million General Fund). The LAO is working with the Administration to understand proposed costs for 2025-26 (full-year implementation).

The funding for the stipends themselves and for the third-party vendor to administer the payments is budgeted under DHCS.

**DSS Implementing Additional Activities in Support of BH-CONNECT.** In addition to the new Medi-Cal benefit approved as part of the waiver demonstration project, DSS is implementing other child welfare program changes in support of the goals of BH-CONNECT, as well as the goals of the state's broader Medi-Cal reform initiative—California Advancing and Innovating Medi-Cal (CalAIM). These program changes do not require a federal waiver to implement but are intended to support these Medi-Cal initiatives overall.

**Child and Family Team (CFT) Meetings for Family Maintenance (FM) Cases.** As part of CCR, county child welfare agencies are required to coordinate a CFT meeting for youth within 60 days of entering foster care, and at least every six months throughout their time in care. In line with the goals of BH-CONNECT to help prevent entry into or further escalation within the child welfare system, DSS expanded the CFT requirement to include FM cases. FM cases are those where a youth has been the subject of a maltreatment allegation but the child welfare agency determines the youth is able to remain safely at home, with any necessary interventions. DSS provided guidance, and the state provided initial funding to counties in 2023-24 (\$3.6 million total funds [\$2.5 million General Fund]), for workforce readiness ahead of implementation, which is planned for January 2025. Funding included in the Governor's budget for 2024-25 (half-year implementation) is \$13.2 million total funds (\$9.7 million General Fund). The LAO is working with the Administration to understand proposed costs for 2025-26 (full-year implementation).

**Joint Home Visits.** Another policy/practice change being implemented in line with the goals of BH-CONNECT is that child welfare social workers will coordinate joint home visits with specialty mental health workers following substantiated maltreatment allegations. The joint child welfare/specialty mental health behavioral assessment will guide service recommendations that can be coordinated during CFT meetings. Funding included in the Governor's budget for 2024-25 (half-year implementation) is \$3.1 million total funds (\$2.3 million General Fund). The LAO is working with the Administration to understand proposed costs for 2025-26 (full-year implementation).

**Some Other BH-CONNECT Provisions Also Support Foster Youth.** As noted above, DHCS is the lead entity for this project and most new BH-CONNECT initiatives focus on a broader population. Nonetheless, foster youth likely will benefit from some of these broader initiatives. These are:

- **Transitional Rent Benefit.** Youth transitioning out of foster care are one target population who may be able to receive up to six months of rental assistance, provided through Medi-Cal managed care plans. This new benefit initially will be optional for managed care plans to provide, beginning July 1, 2025. However, the service will become mandatory for Medi-Cal managed care plans to provide for certain beneficiaries beginning no sooner than January 1, 2026 and mandatory for all eligible populations no sooner than January 1, 2027.

- **Additional Medi-Cal Change to Establish Managed Care Plan Child Welfare Liaisons.** In support of implementing BH-CONNECT and CalAIM, DHCS in 2023-24 began requiring managed care plans to designate child welfare liaisons, whose role includes overseeing and delivering Enhanced Care Management for foster youth, attending CFT meetings, ensuring managed care services are coordinated with other services, and supporting care managers if they face operational obstacles.

### Panel

#### Questions for the Panel:

- ◇ Please provide an implementation update on all DSS-operated BH-CONNECT activities. What BH-CONNECT activities have implemented on or since January 1, 2025, and what is the timeline for implementation for the components that have not yet implemented?
- ◇ How will the state evaluate the outcomes and effectiveness of the supports and services provided in connect with the BH-CONNECT waiver?
- ◇ How will the activity funds work with the Tiered Rate Structure's Strengths Building funds and how will they be tracked/reconciled?
- ◇ What opportunities do these BH-CONNECT-fostered programs provide to identify and develop best practices?
- Angie Schwartz, Deputy Director, Children and Family Services Division, California Department of Social Services
- Diana Boyer, Director of Policy for Child Welfare and Older Adult Services, County Welfare Directors Association of California (CWDA)
- Kia Cha, Principal Program Budget Analyst, Department of Finance
- Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

### LAO Comments

The LAO is raising the following questions for Legislative consideration (there are elements of these in the questions outlined above for the panelists).

- ◇ The Governor's budget includes a half-year of funding in 2024-25, assuming implementation of the activity funds, CFT meetings for FM cases, and joint home visits will begin January 1, 2025. Has implementation begun? If not, when does the Administration anticipate it can begin? If implementation did not begin January 1, will the full funding amount for 2024-25 be needed?
- ◇ How much funding is proposed in 2025-26 for DSS for each BH-CONNECT component to be implemented by the department (that is, what are the individuals amounts proposed for activity funds, CFT meetings for FM cases, and joint home visits)?



- ◇ Implementing these activities will require close coordination between DSS and DHCS at the state level, and between child welfare and mental health staff at the county level. What coordination has occurred/is occurring at the state level? What guidance will the state departments provide to county agencies?
- ◇ The implementation period for the activity funds as part of the BH-CONNECT project will overlap with the anticipated launch of the Strengths Building and Child and Family Determination Program as part of the Tiered Rate Structure. These two programs seem to be similar in that both provide funding for foster youth to participate in extracurricular activities, among other things. How will DSS/DHCS ensure the two programs complement one another?

### Staff Comments

#### Staff Recommendation:

Staff recommends the following:

1. Request Assistance with Development of Trailer Bill Language for BH-CONNECT. Staff recommends that the Subcommittee request assistance from the LAO to provide an initial draft of a trailer bill proposal that seeks to codify the intent, timelines, activities, and outcome reporting to the Legislature for the activities implemented through DSS as part of BH-CONNECT and to first provide a draft to the Subcommittee staff and then to assist with vetting the language with the Administration. This is in the interest of effective oversight/accountability, and of California learning from and understanding the impacts of these new practices so that best practices in foster care can be promoted and continued to the extent they may be resourced in the future.
2. Request for Comprehensive Fiscal Display for BH-CONNECT By March 28. Staff additionally recommends that the Chair request a comprehensive fiscal display for the components of the BH-CONNECT initiative operating through CDSS before or by Friday, March 28, 2025. This information should come back to the Subcommittee staff and to colleagues at the LAO. The Administration has indicated that it is working on putting together a multi-year, multi-department chart with final estimated expenditures by fiscal year.
3. Request for Information on Current Year Spending. Lastly, staff recommends that the Chair request an update back from the Administration on what portion of the 2024-25 funds (total funds and General Fund) provided for BH-CONNECT that are likely to not be utilized due to late implementation. The Chair can request that this information come back to Subcommittee staff before or by Friday, March 28, 2025.

Hold open.

**Issue 7: Expenditure of Remaining Funds and Ceasing of Bringing Families Home Program**

**Program Background and Budget Issue.** The Bringing Families Home (BFH) Program was established in 2016 to reduce the number of families in the child welfare system experiencing, or at risk of homelessness, to increase family reunification, and to prevent foster care placement. BFH offers financial assistance and housing-related wraparound supportive services, including but not limited to: rental assistance, housing navigation, case management, security deposits, utility payments, moving costs, interim shelter assistance, legal services, and credit repair. As of 2022-23, there are 53 counties and 25 Tribes and tribal entities operating a BFH program, with each program tailored to meet the needs of the local community. The one-time funds provided in the program are quickly being exhausted in the current calendar year and there is no additional funding being proposed for BFH in the Governor's Budget (for 2025-26 and on-going). As a result, it is projected that the program will completely cease operation in most counties and tribes within a year.

**Eligibility.** BFH serves families involved with the child welfare system who are experiencing, or at risk of, experiencing homelessness. For BFH, homelessness is defined in the [Welfare and Institutions Code 16523](#). Among those who are eligible, programs should first prioritize child welfare-involved families who are literally homeless, followed by those who are at risk of imminently losing their housing.

**Funding Detail.** BFH was established in 2016-17 by AB 1603, with a \$10 million appropriation available over three years. In 2019-20, BFH was authorized an additional \$25 million available over three years (July 2019 through June 2022). The program required a dollar-for-dollar grantee match.

The 2021 Budget Act appropriated \$92.5 million General Fund for BFH with trailer bill language that waived the county match requirement and was made available for expenditure from July 1, 2021, through June 30, 2025.

The 2022 Budget Act appropriated an additional \$92.5 million, match-exempt GF for BFH, \$80 million of which was reappropriated in the 2024 Budget Act, with \$40 million available for expenditure through June 30, 2026, and another \$40 million available for expenditure through June 30, 2027. The county match waiver for BFH funds has been extended through June 30, 2027.

**Program Evaluation Demonstrates Impact.** The [Bringing Families Home Program Evaluation](#) (May 2024) conducted by the University of California Berkeley California Policy Lab and University of Southern California Children's Data Network found that BFH served particularly high-need families, even compared to other families involved in child welfare. BFH families were also less likely to be connected to the broader homelessness response system. BFH reduced the use of shelter and transitional housing by half and doubled the use of rapid re-housing services, which based on evidence is more cost-effective and more likely to lead to stable housing.

More than half of BFH families (52 percent) that exited the program by the end of the program's second year left to a permanent housing arrangement and another 14 percent exited to either community-provided or temporary housing, with only 3 percent reporting exiting to homelessness. By comparison, across Continuums of Care (CoC) in California in 2023, just 35 percent of exits in the Homeless Management Information System were to permanent housing ([Housing and Urban Development, National Summary – CoC System Performance Measures since 2019](#)).

Further, the evaluation found that family reunifications increased for families who had children in foster care at the time of BFH enrollment as compared to families in the control group who did not receive BFH services – this is not only a positive outcome for families and children, but additionally indicates that BFH could create cost savings for the child welfare system.

**Most Spending Information Lags, But Shows Where BFH Services Have Ceased.** The following five counties have fully expended their last BFH allocations: Kern, Napa, Solano, Ventura, and Yuba. The following 13 counties have expended 70 percent to 99 percent of their allocations: Calaveras, Colusa, El Dorado, Humboldt, Inyo, Kings, Madera, Mendocino, Placer, San Bernardino, Shasta, Siskiyou, and Tuolumne. Information on the remaining counties and tribes is pending.

**Additional Issue To Be Discussed Under this Item – Social Security Income and Foster Care.** AB 2906 (Bryan, Statutes of 2024) prohibits county child welfare agencies from offsetting the costs of care in the foster care system with the child's Social Security survivors' benefits, instead requiring counties to conserve those funds in financial accounts for the child's use. Counties note concern with the fact that the Governor's Budget does not provide counties any backfill for the loss of federal funding associated with redirecting those funds, pursuant to the provisions of Proposition 30. Proposition 30 requires that the state fund the net costs to each county of any new state child welfare requirements or programs enacted after 2011 Realignment.

### Panel

#### Questions for the Panel:

- ◇ What is the current situation for the exhaustion of Bringing Families Home funds across counties and tribes? What will program service levels look like in 2025-26 in the absence of additional funding?
- ◇ What will happen to families who are literally homeless and child welfare-involved in the absence of the BFH program?
- ◇ What have been the outcomes for Bringing Families Home? How do we know that the program works?
- ◇ What amount of funding would be needed if the state chose to continue the BFH program for 2025-26?

**Additional Questions for the Panel Regarding Social Security Income and Foster Care:**

After the conversation on Bringing Families Home, the Subcommittee requests that panelists please respond to the following questions about Social Security Income for Foster Youth:

- ◇ Can the Administration elaborate on why it did not budget the funding needed to backfill, pursuant to Proposition 30, the hole created by the loss of Social Security Income for counties? It appears that in the Governor's veto message for a related, but more expansive bill (Assembly Bill 1512, Bryan and Bauer-Kahan, 2023-24 Legislative Session), the Administration acknowledged that if counties are not permitted to use SSI to cover the cost of providing care to foster youth, the General Fund would need to offset those costs.
- ◇ What impact does the lack of a backfill have on county resources to implement programs and policies to support youth in the foster care system?
- ◇ What are the LAO's thoughts regarding Proposition 30 considerations underlying this issue?
- Hanna Azemati, Deputy Director, Housing and Homelessness Division & Angie Schwartz, Deputy Director, Children and Family Services Division, California Department of Social Services
- Diana Boyer, Director of Policy for Child Welfare and Older Adult Services, County Welfare Directors Association of California (CWDA)
- Kia Cha, Principal Program Budget Analyst, Department of Finance
- Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

**Staff Comments**

**Staff Recommendation:** Staff recommends that the Chair consider making the following requests at the conclusion of this issue:

1. On Bringing Families Home, that the Subcommittee request a response in writing to the question of the amount of funding needed if the state chose to continue the BFH program for 2025-26, before or by Friday, March 28, 2025. Responses can come back to Subcommittee staff.
2. On Social Security Income for Foster Youth, the Chair may consider asking for the amount of General Fund and statutory changes that would be needed to address the issue that the counties are raising, before or by Friday, March 28, 2025. Responses can come back to Subcommittee staff.

Hold open.

**Issue 8: Local Child Support Agency Funding and Child Support Pass-Through**

**Background.** The child support program is a federal-state program that establishes, collects, and distributes child support payments to participating parents with children. These tasks include: locating difficult to find parents; certifying paternity; establishing, enforcing, and modifying child support orders; and collecting and distributing payments. In California, the child support program is administered by 47 county and regional local child support agencies (LCSAs), in partnership with local courts. Local program operations are overseen by the state Department of Child Support Services (DCSS).

The 2024 Budget included \$373.9 million General Fund (\$1.183 billion total funds) for DCSS in 2024-25, a decrease of less than \$1 million General Fund (around \$3 million total funds) relative to revised estimates for 2023-24. The Governor’s Budget for 2025-26 includes a slight increase for DCSS, as detailed in the table provided by the department below.

**Child Support Program Highlights**  
(Dollars in Thousands)

	2024-25 Enacted Budget	2025-26 Governor's Budget	Difference
Child Support Program Total	\$ 1,183,362	\$ 1,190,147	\$ 6,785
State Operations	\$ 215,790	\$ 218,058	\$ 2,268
General Fund	\$ 67,192	\$ 67,041	\$ (151)
Federal Fund	\$ 148,475	\$ 150,894	\$ 2,419
Reimbursements	\$ 123	\$ 123	\$ -
Local Assistance Administration	\$ 894,535	\$ 899,052	\$ 4,517
General Fund	\$ 281,896	\$ 281,837	\$ (59)
Federal Fund	\$ 550,202	\$ 534,754	\$ (15,448)
Child Support Collections Recovery Fund	\$ 62,437	\$ 81,284	\$ 18,847
Section 1115 (Federal Grants)	\$ -	\$ 1,177	\$ 1,177
Local Assistance Automation	\$ 73,037	\$ 73,037	\$ -
General Fund	\$ 24,832	\$ 24,832	\$ -
Federal Fund	\$ 48,205	\$ 48,205	\$ -
Program caseload	1,058,447	1,020,026	(38,421)
State Positions	699.2	699.2	-
LCSA Positions	5,481.9	5,390.1	(91.7)

The following chart provided by DCSS displays the changes in the federal performance measures for child support.

Federal Measures	Performance	Federal Minimum	FFY 2020	FFY 2021	FFY 2022	FFY 2023	FFY 2024 (Preliminary)	Percent Change 2023-2024
IV-D PEP		50.0%	100.6%	100.8%	104.2%	103.6%	99.0%	-4.4%
Statewide PEP		50.0%	88.6%	94.5%	94.4%	92.5%	99.0%	7.0%
Percent of Cases with Orders		50.0%	92.1%	92.8%	90.7%	88.0%	87.4%	-0.7%
Current Performance	Collections	40.0%	66.5%	66.5%	63.1%	63.1%	62.7%	-0.6%
Arrearage Performance	Collections	40.0%	78.7%	74.5%	67.3%	64.4%	62.7%	-2.6%
Cost-Effectiveness		\$2.00	\$2.74	\$2.68	\$2.46	\$2.35	\$2.28	-3.0%

**2024 Budget Act Reduced Administrative Funding for LCSAs.** The 2024-25 budget decreased funding for LCSAs by \$6 million General Fund in 2023-24, 2024-25, and 2025-26. Since 2019-20, LCSAs have received a few augmentations based on the standardized funding methodology. In total, these augmentations have resulted in increased funding of \$51.4 million General Fund (\$152.2 million total funds) for LCSA administration. However, for a variety of reasons, LCSAs have not fully expended these additional funds. To help address the state’s budget problem, the 2024-25 spending plan temporarily reduced this funding.

**Impacts of Administrative Reduction for Local Child Support Agencies.** DCSS reports that the LCSA budget reduction has had statewide impacts to varying degrees. Overall, the total statewide number of mandated program and call center staff at the LCSAs has decreased by 92 full-time equivalents (FTE), from 5,482 to 5,390 (-1.7%) since the beginning of the state fiscal year. LCSAs are experiencing varying levels of challenges as some have more budget flexibility than others. To manage costs, LCSAs are slowing hiring, holding positions vacant for salary savings, and reducing operating expenses where possible (such as training, discretionary contracts, and facility expenses). LCSAs anticipating further local cost increases for wages and benefits must plan their budgets in advance of these increases that have already been negotiated with local unions. At this time, DCSS reports that there has been no significant erosion of service delivery. Prolonged budget constraints, beyond 2025-26, coupled with continued increasing local costs may erode staffing levels further, leading to potential operational and service delivery impacts.

**Implementation of Passthrough Policy Shifts Collections Payments to Former CalWORKs Families.** The 2024 Budget estimates a significant shift of child support collections from government recoupment to payments for former California Work Opportunity and Responsibility to Kids (CalWORKs) families. Specifically, collections distributed to former CalWORKs families are estimated to increase by \$139.5 million (nearly 130 percent) in 2024-25, relative to 2023-24. This shift primarily reflects the implementation of the state’s passthrough policy to families who formerly received CalWORKs assistance. Implementation began in May 2024, meaning 2024-

25 is the first full year of implementation. DCSS reports that implementation of former assistance arrears passthrough (FAPT) has resulted in an additional \$51.2 million distributed to families, instead of government recoupment, between July and December 2024. These monies were passed through to the families of nearly 60,000 cases. Implementation of FAPT has been successful, systems are operating as intended, and the department continues to monitor for any issues or defects.

**2024 Supplemental Reporting Language Required Administration to Provide Data Related to Potential Future Passthrough to Current CalWORKs Families.** In addition to passing through child support payments to families who formerly received CalWORKs assistance, the Legislature in 2024 expressed an interest in enacting a similar policy change for families *currently* participating in the CalWORKs program. In order to help assess the impact of this intended reform, the Legislature adopted [supplemental reporting language](#) requiring DCSS to issue a report to the Legislature on continued efforts to research and make necessary technological changes that will facilitate full passthrough of child support payments to families currently receiving CalWORKs assistance. The required report, which is due by January 10, 2026, will include a summary of available data about families currently participating in CalWORKs from whom DCSS is collecting or seeking to collect child support payments—such as the average child support order amount for these families—along with a number of other reporting areas. DCSS reports that it is on track to deliver the legislative report by January 10, 2026. As of this writing, the department scheduled a stakeholder input meeting on March 10, 2025, including but not limited to: LCSA directors, the Legislative Analyst’s Office, advocates, child support case participants, and labor unions.

**Control Section Reductions for Department of Child Support Services.** Information from the Department of Finance (DOF) indicates that as part of the statewide reductions required across government in the 2024 Budget Act, discussed in this Subcommittee at its February 26, 2025 hearing, 40 positions were eliminated and state operations reduction of \$1.139 million General Fund were made. In response to a request for additional detail, DCSS states that DOF is working with departments and will provide detailed workbooks that identify the positions/classifications and programs where reductions will be made, consistent with the document posted on Finance’s website ([Statewide Reductions](#)). Once approved, Finance will process an Executive Order to direct the State Controller to reduce departments’ 2024-25 budgets to ensure the planned savings in the 2025-26 Governor’s Budget will be realized before the end of the current fiscal year. DCSS also states that to achieve the state operations reduction, DCSS eliminated discretionary costs such as training, travel, supplies, software, and various discretionary contracts.

### Panel

#### Questions for the Panel:

- ◇ What have been the impacts of the LCSA reductions adopted in the 2024 Budget?
- ◇ Is there a level of identified funding that LCSAs require to continue to implement reforms that were authorized prior to the funding reduction being discussed?

- ◇ What impacts have the control section reductions had on the department?
  - Kristen Donadee, Director, California Department of Child Support Services
  - Nan Chen, Chief Financial Officer, California Department of Child Support Services
  - Michael Smitsky, Executive Director, Child Support Directors Association of California
  - Rebecca Gonzales, Policy Advocate, Western Center on Law & Poverty
  - Kayla Knott, Finance Budget Analyst, Department of Finance
  - Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

**Staff Comments**

**Staff Recommendation:** Hold open.



**Issue 9: Review of Federal Threats and Possible Impacts for Child Welfare/Foster Care, Community Care Licensing, and Child Support Services**

The Subcommittee is asking all departments and state leaders of major program areas to provide observations and comments on the possible impacts of actions being either taken or contemplated at the federal level. The Subcommittee’s February 26, 2025 hearing agenda included additional information on this subject.

**Panel**

**Questions for the Panel:**

- ◇ What are state leaders for programs under discussion today hearing about possible federal actions?
- ◇ What are the possible impacts of adverse federal actions, if taken, for child welfare/foster, community care licensed programs, and child support services?
  - Jennifer Troia, Director, California Department of Social Services
  - Kristen Donadee, Director, California Department of Child Support Services
  - Kia Cha, Principal Program Budget Analyst, Department of Finance
  - Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office

**Staff Comments**

**Staff Recommendation:** Hold open.

**Issue 10: Impact of Los Angeles Fires on Foster Youth, Community Care Licensing, and Child Support Services**

The Subcommittee is asking all departments and state leaders of major program areas to be prepared to share about the impacts to people and communities in your programs of the recent devastation in Los Angeles.

CDSS provided broad and comprehensive updates that were included in the February 26, 2025 hearing agenda. For this hearing, CDSS will be asked to speak to the impacts on children in the foster care system in the areas impacted by the recent firestorms. CDSS provided the following information specifically on these topics.

CDSS' Children and Family Services Division's DPRU (Disaster Planning and Response Unit) has daily communication and report outs with Los Angeles County on the impacted youth from the wildfire incidents. DPRU continues constant communication with all counties that have out of county placements within the impacted areas. Safe Measures Disaster Mapping is used consistently to map out and locate any youth affected by the wildfire incidents in Los Angeles County. Mandatory evacuation orders are constantly monitored to identify impacts to youth/families, staff, or county operations and to see how CDSS can provide support.

CDSS has also shared the following:

- Los Angeles County had 442 Child Welfare/Probation-supervised Youth and 401 Los Angeles County employees that were initially impacted by these wildfire incidents.
- 20 children are confirmed impacted due to 13 homes/facilities burning down:
  - 5 children impacted at Bourne STRTP girl's site
  - 4 children at 4 Resource Family Homes
  - 1 child at an Adoptive Home
  - 6 children at 3 parent homes (HOPs)
  - 2 children at 2 kinship homes
  - 1 child at a LG home
  - 1 child at an FFA resource home
- Four (4) Foster Family Agency approved Resource Family Homes, and one (1) Short-Term Residential Therapeutic Program were destroyed.

DCSS has shared the following from the Los Angeles County child support agency:

- 36 staff were assigned to offer child support assistance at three Local Assistance/Disaster Recovery Centers (LACs). At the LACs, staff offered the same services, similar to service received at DCSS public offices.
- 21 staff were assigned to assist with Los Angeles County's 211 information and referral call line.
- 1 staff was assigned to assist with crisis communications.
- 1 staff was assigned to assist with a shower facility in Malibu.
- 1 staff was assigned to assist with pet supply donations.

**Panel**

**Questions for the Panel:**

- ◇ How many children and youth in foster care were displaced as a result of the Los Angeles Fires? How is the state helping to stabilize families and placements for these children?
  - ◇ What has the Department of Child Support Services seen as the real impacts of the fires on families served by your department and local offices? What more can be done or is planned?
- Jennifer Troia, Director, California Department of Social Services
  - Kristen Donadee, Director, California Department of Child Support Services
  - Kia Cha, Principal Program Budget Analyst, Department of Finance
  - Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office

**Staff Comments**

**Staff Recommendation:** Hold open.

## Non-Presentation Items

The following proposals do not require a formal presentation from the Administration, as issues are not being raised about them for discussion as of this writing. Members of the Subcommittee may ask questions, make comments, or request a presentation by the Administration on these proposals, at the discretion of the Subcommittee Chair. Members of the public can provide public comment on these items during the Public Comment period, after discussion on the issues to be heard has concluded.

### 5180 Department of Social Services

#### Issue 11: Community Care Licensing Update and Related Governor's Budget Change Proposals (BCPs)

**Community Care Licensing.** The Subcommittee requested an update from CDSS on functions and timeliness of responsibilities for the Community Care Licensing Division (CCLD). The following information was provided by the department.

CCLD's Budget is \$259.3 million Total Fund (TF)

- General Fund is \$130.6 million
- Federal Fund is \$95.0 million
- Reimbursements is \$6.5 million
- Special Funds is \$27.2 million

CCLD is comprised of 1,593.1 positions. Since 2020-21, CCLD's position count has grown steadily with the addition of new programs. In 2020-21, CCLD's authorized position count was 1,520.9 and growing roughly 20 positions each fiscal year. This expansion brought the total authorized positions to 1,593.1, accompanied by an increase in resources from \$184.3 million TF to \$259.3 million TF.

**Inspection and Complaint Update.** The Adult and Senior Care Program (ASCP) met the one-year annual inspection mandate and does not have a substantive backlog in this area. ASCP does have a complaint backlog and while the resources allow the program to close the number of complaints being received, the ability to address the backlog has been slow. Any disruption to the workload—such as COVID-19, floods or wildfires—significantly affects complaint backlogs and the ability to meet the inspection mandate. When these disruptions occur, resources are diverted to address the disruption while regular workload is put on hold. To help address the backlog, ASCP is doing the following:

- Diverting staff across regions to assist with complaint backlogs.
- Taking into consideration the annual inspection frequency and how to create a sustainable workload, while also addressing the complaint backlog.

The Children's Residential Program (CRP) has made meaningful progress in addressing the complaint backlog, achieving a 20 percent reduction through strategic workload distribution and the use of overtime, when available. This indicates positive movement, though it also highlights

the ongoing strain on staffing resources. The county-contracted complaint investigations, which account for roughly 20 percent of the complaint workload, are nearing the end of the contract term later this year, at which point the workload will revert back to the counties. This may provide some workload relief and could further reduce the backlog.

Child Care Program and Home Care Services do not have substantive complaint backlogs.

The area of concern for CCL remains in the ASCP complaint backlog, which increased during the COVID-19 pandemic as work conducted by ASCP was pivoted to address mitigation and prevention of COVID-19 in facilities. Since the COVID-19 pandemic, the ASCP has been prioritizing the complaints while continuing to complete annual inspections of facilities. The reduction of the complaint backlog has been slow and has not returned to pre-COVID-19 numbers. However, as mentioned above, CDSS is taking steps to try to further reduce the complaint backlog.

Children’s Residential Program’s complaint backlog has been in continuous decline over the last year plus. As mentioned above, Child Care Program and Home Care Services do not have substantive complaint backlogs. Child Care Program has a three-year inspection mandate, while Children’s Residential Program has a two-year mandate. Home Care Services does not have an inspection mandate, however, the program has a two-year goal based on the license renewal cycle.

CCLD Complaint Data for FY 2023/2024				
Program	Complaints Received	Complaints Approved	Complaints Pending > 90 Days	Complaints Pending > 90 Days % Change Since Last FY
Adult and Senior Care	8,480	8,655	3,917	-4.1%
Child Care	5,180	5,114	55	44.7%
Children's Residential <sub>1</sub>	3,902	4,065	700	-20.5%
Home Care Services	173	147	30	-3.2%
<b>Division Total</b>	<b>17,735</b>	<b>17,981</b>	<b>4,702</b>	<b>-6.6%</b>

1 - Children's Residential includes County RFH Complaints  
 Source: CCLD Complaint Information Tracking (CIT) Report FY 2023/24

The table below shows the trend in the ASCP complaints going back to 2018-19.

ADULT AND SENIOR CARE PROGRAM COMPLAINT ANALYSIS				
Fiscal Year	Complaints Received	Complaint Approved	Complaints Pending > 90 Days	Complaints Pending > 90 Days % Change Since Last FY
2018-19	6,263	6,720	795	-35.8%
2019-20	6,231	5,688	1,445	81.8%
2020-21	5,826	3,550	3,333	130.7%
2021-22	6,747	5,938	4,188	25.7%
2022-23	7,916	7,785	4,084	-2.5%
2023-24	8,480	8,655	3,917	-4.1%

Source: CCLD Complaint Information Tracking (CIT) Report FY 2018/19 to FY 2023/2

**Capacity Update.** There are no notable facility or capacity changes for 2023-24. CCLD has provided the data below.

One item of note is that changes in the number of licensed Children's Residential facilities and their associated capacity must be considered: (1) in relation to the goals of the Continuum of Care Reform to shift away from congregate settings to home-based settings; and (2) that it does not necessarily represent a negative trend. Rather, facility capacity is part of a larger picture being evaluated by the Department, led by the Children and Family Services Division, and supported by CCLD, to ensure there is a match between available facility types, capacity within those facilities, and the placement needs of children in care.

The child care community was severely affected by the COVID-19 Pandemic. Historic investments are helping to stabilize the childcare community and build additional capacity. Child Care Licensing has leveraged existing resources and partnerships to enhance the investments made by the Administration, including centralizing the application processing. The Department is continuing the assess the resources needed to support timely application processing.

CCLD Facility and Capacity Data FY 2023/2024				
Program	Licensed Facilities Jun 2024	Licensed Facilities Change Since Last FY	Licensed Capacity Jun 2024	Licensed Capacity % Change Since Last FY
Adult and Senior Care	15,044	2.6%	313,497	3.9%
Child Care <sub>1</sub>	44,463	2.6%	1,114,765	0.8%
Children's Residential <sub>2</sub>	11,154	-4.2%	14,003	3.2%
Home Care Services	2,055	7.7%	-	-
<b>Division Total</b>	<b>72,716</b>	<b>4.4%</b>	<b>1,442,265</b>	<b>1.5%</b>

Source: LIS County Lists (07/01/2024)

1 - Includes Inactive Facilities

2 - Includes Resource Family Homes (RFH)

**Additional Budget Change Proposals in the Governor's Budget Relevant for this Hearing.**

A description of each Budget Change Proposal (BCP) pertaining to Community Care Licensing and Child Welfare/Foster Care in the Governor's Budget that is not otherwise discussed in this agenda is included here. Please see the [Department of Finance's website for more detailed information.](#)

**Ongoing Funding for Foster Care Placement Services BCP.** The Department requests \$1.2 million General Fund in Fiscal Year (FY) 2025-26 and ongoing and six positions to permanently establish expiring limited-term resources to continue to address the workload associated with developing a Congregate Care Continuous Quality Improvement Network. This workload provides permanent support to counties, providers, and other stakeholders regarding Short-Term Residential Therapeutic Program (STRTP) standards and will help address quality of care concerns for foster youth residing in congregate care settings. The requested resources will support the Department in providing technical assistance to counties as a component of the Department's response to unlicensed care and unlawful overstays in shelter care. These resources will allow the Department to systematically review and respond to data while proactively engaging with counties to improve care and support for youth.

**SB 242 California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Program BCP.** The Department requests \$374,000 General Fund in FY 2025-26 and \$364,000 ongoing and two positions to implement the California Hope, Opportunity, Perseverance, and Empowerment program for eligible foster children as required by Chapter 1010, Statutes of 2024 (SB 242). The HOPE program ensures that children in foster care who are unable to reunify with their families are provided the necessary financial security to help them establish independence in adulthood. The HOPE Trust Accounts will help decrease the number of children in the foster care system who become homeless and help provide more educational opportunities, which they may not otherwise be able to afford. The requested resources will assist with identifying eligible children, assigning HOPE Account numbers, transferring authorized information to the State Treasurer's Office, and creating reports for eligibility communication and outreach.

**AB 262 Children's Camps: Ensuring Safety and Regulation BCP.** The Department requests \$1.8 million General Fund in FY 2025-26 and \$787,000 General Fund ongoing and 4 positions. This includes one-time funding for a contract discussed below. AB 262 requires the California Department of Social Services to convene and consult with a stakeholder group on Children's camp safety and provide recommendations regarding regulations and regulatory goals, child supervision requirements, facility safety standards, including responsibilities and requirements for camp oversight to the Legislature. The Department must provide recommendations on regulations, child supervision requirements, facility safety standards, and requirements for camp licensure to the Legislature, within 24 months of receiving appropriated funds for this purpose.

The Department requests \$1 million for a contractor to oversee the workgroup process and to coordinate efforts including stakeholder engagement, and to identify the factors that will be cost drivers when defining a Day Camp. The contract would be a one-time cost and the estimate is based on previous vendor contract costs. Additionally, the Department is requesting 4.0

positions and the associated funding for 2.0 permanent fulltime Staff Services Manager (SSM) II (Specialists) and 1.0 permanent fulltime Associate Governmental Program Analyst (AGPA) for contract management analysis and workgroups oversight and 1.0 permanent fulltime Research Data Analyst (RDA) II, to facilitate and develop the recommendations and work with stakeholder group and contractor. The requirements of AB 262 are subject to an appropriation. If funded, this BCP would trigger the requirements of AB 262.

**SB 1406 Resident Services and Rights Support BCP.** The Department requests \$743,000 General Fund in 2025-26, \$725,000 General Fund in 2026-27, and \$549,000 General Fund in 2027-28 and ongoing and 3 positions, which includes two-year limited-term funding equivalent to 1 position, to support the new workload created by Chapter 340, Statutes of 2024 (SB 1406). SB 1406 extends the timeframe for licensees to provide a written notice to residents or the resident’s representatives regarding any increase in the fee rates or rate structures for services from 60 to 90 days and requires a detailed justification for the increase. The bill also grants residents in privately operated facilities the personal right to request, refuse, or discontinue a service and reinforces a resident’s right to request, refuse, or discontinue services as specified.

The Adult and Senior Care Program anticipates a 5 percent increase in citations and complaints each fiscal year and a 5% increase in complaint backlog each fiscal year. The Centralized Complaint and Information Bureau requests three (3.0) staff to help address the increase in additional complaints and phone inquiries, handle the increased volume of referrals, and analyze the impacts of SB 1406. The Policy Development Bureau will need limited-term resources equivalent to one (1.0) additional staff to update the current policy to reflect the requirements of SB 1406 which will include updating Provider Information Notices, guidance letters, regulations, forms, and the Compliance and Regulatory Enforcement Tool.

**Staff Comments**

Staff is not aware of issues being raised with these subjects as of this writing.

**Staff Recommendation:** Hold open.

This agenda and other publications are available on the Assembly Budget Committee’s website at: [Sub 2 Hearing Agendas | California State Assembly](#). You may contact the Committee at (916) 319-2099. This agenda was prepared by Nicole Vazquez.