

PROPOSED STATE BUDGET CUTS IMPACT ON CHILD WELFARE IN L.A. COUNTY

CONTEXT

OVER THE PAST SEVERAL YEARS, L.A. COUNTY HAS INITIATED A COURSE OF SUCCESSFUL INNOVATIONS AND REFORMS WITH PROVEN RESULTS FOR IMPROVED CHILD SAFETY, STABILITY AND WELL-BEING

- Over the past several years, the adoption of innovative practices and initiatives with proven results has established DCFS as a national leader in child welfare reform. DCFS has made significant strides in keeping children safer, reducing the number of children in foster care and ensuring children grow up in permanent, loving families.
- DCFS has initiated significant culture and practice change in how it works with families. In communities, DCFS is now partnering with local agencies to strengthen families and working to proactively prevent child abuse and neglect.
- Internally, DCFS staff has shifted its focus to engage with families and youth and partner with communities to keep children safely at home and reunite families as soon as safely possible.
- Among its many improvements over the past few years, DCFS recorded its lowest number of children in out-of-home placement in its history in March 2008 (18,500), down from an all-time high of nearly 50,000 ten years ago.

PROPOSED CUTS

- The 2008-2009 state budget proposal includes an \$83.7 million reduction to Child Welfare Services.
- An 11.4 percent cut in Child Welfare Services funding to counties and a 5 to 10 percent decrease in payments to foster care providers are proposed.
- If the proposed budget cuts are enacted, they will result in a funding shortfall in excess of \$25 million to DCFS. The potential reduction in payments to foster care providers is estimated to be more than \$65 million.

IMPACT

ALL PROPOSED CHILD WELFARE BUDGET CUTS WILL SEVERELY AFFECT THE COURSE OF INNOVATION AND PROGRESS IN L.A. COUNTY

- Over the past several years, social services in California have taken consistent cuts in order to help reduce deficits, but this year is clearly the most severe yet.
- This is an issue of life and death -- the safety and stability of children and families is at stake. Children in the child welfare system are there because they have been victimized by people they should have been able to trust. They should not be victimized again by budget cuts.
- As in every county throughout the state, these cuts will jeopardize vital services to children and families in Los Angeles County. In a worst case scenario, the cuts could lead to fewer temporary care facilities for children, less preventative and treatment services to help keep children and families safely together and fewer social workers to uphold stringent legal visitation requirements and response times.

Specifically, this shortfall will affect the well-being of children and families in the following areas:

- Prevention services designed to protect at-risk children from abuse and neglect;
- Reunification services focused on addressing family problems so children can safely return and remain with their families;
- Permanency services intended to ensure children who cannot safely return home can grow up with a new family through adoption or legal guardianship;
- A reduction or elimination in the number of critical programs and contracts or the potential elimination of hundreds of positions;
- Funding cuts of between 5 and 10 percent to caregivers of children in out-of-home care, potentially resulting in the closure of placement resources;
- A reduction in the amount of social workers and available services;
- Reductions in direct services to children and families such as Family Preservation services, Family Support services, Wraparound services, Adoption Support services, Kinship/Relative Support services and Emancipation services;
- A reduction in clinical services such as sexual abuse treatment, drug testing and substance abuse treatment.

THE PROPOSED BUDGET CUTS WILL COST MORE IN THE LONG RUN

- Children and families will go without necessary services and DCFS will see them only after conditions grow worse.
- Prevention and early intervention efforts in child welfare are likely to be reduced or eliminated altogether. As services are cut, more children will languish in foster care. This will result in higher foster care costs and even higher caseloads which will also strain our law enforcement, juvenile court system, and other services, systems and community programs.
- Cuts will slow, stop or reverse positive trends made to improve child welfare outcomes and will potentially expose the state to millions of dollars in federal fiscal sanctions. The loss of state funding for child welfare will be compounded by lost federal matching dollars, magnifying the impact at the local level.
- Current regulations primarily limit the use of Title IV-E federal funds to pay for foster care – *after* children have been removed from their homes. To address this issue, L.A. County proactively worked with the state to apply for a federal Waiver, which was granted, to use Title IV-E federal funds more flexibly. This Title IV-E Waiver Capped Allocation Demonstration Project (CADP) allows DCFS to focus on proactive strategies to *prevent* abuse and neglect and provide services to families to achieve timelier reunification when children must be removed. Any significant child welfare funding reductions could jeopardize continued gains in improved outcomes for children and families made possible by the flexible funding environment under the Waiver.

CHILD WELFARE SERVICES FUNDING REDUCTION CONSEQUENCES

- ***Compromising child safety*** -- All of the children and families served by DCFS could be impacted by reductions in social work staff and available services. The responsibility for serving more children and families by each social worker means they would have less time to spend with each individual child and their family. This could compromise child safety.
- The projected impact of the 11.4 percent reduction in the Waiver portion of the CWS Basic allocation would result in the loss of \$17.9 million in State revenue.
- The reduction in the non-Waiver CWS allocation would result in the loss of \$5 million in State revenue and \$2.1 million in federal revenue.

FOSTER CARE FUNDING REDUCTION CONSEQUENCES

- Rate reductions would result in expenditure reductions and reduce funding available to spend on the children in DCFS care. This would adversely impact the foster care providers and their ability to provide necessary services to children and their families. The cost of gas, food and other family necessities is continually rising. Some providers may choose to no longer provide critical services due to the financial hardship. This would result instability for thousands of children who are already the most vulnerable children in Los Angeles County.
- The loss of specialized placements could result in the institutionalization of youth in either a mental institution or a juvenile detention facility.

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