

Date of Hearing: March 28, 2023

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Corey A. Jackson, Chair

AB 525 (Ting) – As Amended March 22, 2023

SUBJECT: Foster youth: supervised independent living placement housing supplement

SUMMARY: Creates a housing supplement, to be calculated by the California Department of Social Services (CDSS), for nonminor dependents (NMDs) residing in Supervised Independent Living Placements (SILPs); requires CDSS to inform counties by July 1 of each year of the amount of the supplement and to report by county, the amount paid to NMDs placed in SILPs; requires collaboration between CDSS, the County Welfare Directors Association (CWDA) and the Statewide Automated Welfare System (CalSAWS) to develop and implement the necessary system changes. Specifically, **this bill:**

- 1) Requires the rate paid for an NMD placed in a SILP in California to be supplemented with a housing supplement, to be calculated by CDSS as the difference between one-half of the fair market rent for a two-bedroom apartment in the county in which the NMD resides and 30% of the established rate.
- 2) Defines “fair market rent” to mean the rent calculated for the fair market rent system developed by the United States Department of Housing and Urban Development (HUD) for use in determining the allowable rent level for individuals who participate in the Housing Choice Voucher program. This amount includes the cost of housing and utilities, except for telephone, cable, and internet, and is calculated annually for each county and released at the start of each fiscal year by HUD.
- 3) Notwithstanding the calculation pursuant to 1) above, prohibits an NMD from receiving a monthly rate less than the established rate.
- 4) Requires the rate paid for an NMD placed in a SILP out of state, to be supplemented with a housing supplement equal to the lowest effective housing supplement in the second quartile of counties.
- 5) Requires the monthly housing supplement to be paid in one lump sum with the rate paid to an NMD placed in a SILP, and to be prorated based on the number of days in a month the NMD was in the program.
- 6) Prohibits overpayments from being collected by counties on the housing supplement.
- 7) Requires CDSS to annually calculate the housing supplement by November 1 of each year and to inform CalSAWS of the amount of the supplement by means of all-county letters or similar written instructions.
- 8) Requires CDSS to annually inform county welfare agencies by July 1 of the following year of the amount of the supplement by means of all-county letters or similar written instructions.

- 9) Requires CDSS to report, commencing July 1, 2026, and in a publicly accessible manner, by county the average monthly amount paid to NMDs placed in SILPs, inclusive of the foster care rate and the housing supplement over the previous 12 months.
- 10) Requires CDSS to work with CWDA and CalSAWS to develop and implement the necessary system changes to implement the housing supplement.
- 11) Commences the supplement on July 1, 2025, or when CDSS notifies the Legislature that CalSAWS can perform the necessary automation to implement it, whichever is later.
- 12) Requires the implementation of these provisions to be subject to an appropriation in the annual Budget Act for this purpose.

EXISTING LAW:

- 1) Establishes a state and local system of child welfare services, including foster care, for children who have been adjudged by the court to be at risk or have been abused or neglected. (Welfare and Institutions Code Section [WIC] 202)
- 2) States that the purpose of foster care law is to provide maximum safety and protection for children who are currently being physically, sexually, or emotionally abused, neglected, or exploited, and to ensure the safety, protection, and physical and emotional well-being of children who are at risk of harm. (WIC 300.2)
- 3) Provides for extended foster care funding for youth until age 21, as well as adopts other changes to conform to the federal Fostering Connections to Success Act. (WIC 241.1, 303, 366.3, 388, 391, 450, 11400, 11402, 11403)
- 4) Defines “nonminor dependent” as a current or former foster youth who is between 18 and 21 years old, in foster care under the responsibility of the county welfare department, county probation department, or Indian tribe, and participating in a transitional independent living plan, as specified. (WIC 11400(v))
- 5) “Supervised independent living placement” means, on and after January 1, 2012, an independent supervised setting in which an NMD is living independently, pursuant to federal law. (WIC 11400(w))
- 6) Defines “supervised independent living setting” as including the following: a SILP; a residential housing unit certified by a transitional housing placement provider operating a Transitional Housing Program (THP) for NMDs; and, a transitional living setting approved by the county to support youth who are entering or reentering foster care or transitioning between placements. (WIC 11400(x))
- 7) Requires foster care providers to be paid a per-child, per month rate in return for the care and supervision of an Aid to Families with Dependent Children-Foster Care (AFDC-FC) child placed with them. CDSS is designated as the single organizational unit whose duty it shall be to administer a state system for establishing rates in the AFDC-FC program and requires state functions to be performed by the department or by delegation of the department to county welfare departments or Indian tribes, consortia of tribes, or tribal organizations that have entered into an agreement. (WIC11460(a))

- 8) Requires the basic rate to be annually adjusted on July 1 by the annual percentage change in the California Necessities Index (CNI) applicable to the calendar year within which each July 1 occurs. (WIC 11461(g)(2))
- 9) Required, for the 2016-17 fiscal year, CDSS to develop a basic rate in coordination with the development of the foster family agency rate that ensures a child placed in a home-based setting, and a child placed in a certified family home or with a resource family approved by a foster family agency, is eligible for the same basic rate. Stipulates that the rates shall not be lower than the rates proposed as part of the Governor's 2016 May Revision and that a certified family home of a foster family agency shall be paid the basic rate only through December 31, 2024, and that the basic rates set forth in written directives or regulations shall become inoperative on January 1, 2025. (WIC 11461(g)(4))
- 10) Requires counties to collect an overpayment, made to a foster family home, an approved home of a relative, a resource family, or the supervised independent living setting where an NMD resides, for any period of time in which the foster child was not cared for in that home, unless specified conditions exist. (WIC 11466.24(a))

FISCAL EFFECT: Unknown, this bill has not been analyzed by a fiscal committee.

COMMENTS:

Background:

Extended foster care and Supervised Independent Living Placements: As a result of the passage of AB 12 (Beall), Chapter 559, Statutes of 2009, foster youth who turn 18 years old, also known as NMDs, are eligible to remain in foster care until they turn 21 years old. Extended foster care is a benefit available to eligible youth to assist them to achieve self-sufficiency and includes educational opportunities, employment trainings, and supervised independent living environments.

SILPs were created as a type of placement as part of extended foster care and are designed for youth between the ages of 18-21. Unlike other foster care placements, youth in SILPs are responsible for identifying and securing their own housing, which can include apartments rented alone or with roommates. As of July 1, 2022, the SILP was the single-most utilized placement in California, with a total of 3,361, or 41% NMDs.

As part of the eligibility process, youth are required to undergo a SILP readiness assessment to determine if they are prepared to live independently before they can be placed. If the assessment determines that the NMD can live independently, the youth can receive their foster care payment directly upon approval of a placement. For NMDs who are aren't ready for a SILP, the Transitional Housing Placement for Non-Minor Dependent (THP-NMD) program, formerly known as THP+FC, also created as part of extended foster care, provides housing placement options for NMDs in extended foster care. THP-NMD is a licensed placement that provides housing and supportive services in a semi-supervised setting and is an ideal placement option for youth who are not ready to live entirely on their own but are also not suited for a foster home.

Regardless of which county a youth resides in, each NMD who is living in a SILP receives a monthly rate of \$1,129, which is intended to cover living costs such as rent, food, and supplies. However, since the program's establishment, the cost of housing has increased by up to 113% in

high-cost counties, while the basic rate has only increased by 41% over that same period. Compounding these factors, the annual inflation rate for the United States is 6.0% for the 12 months ending February 2023, after rising 6.4% previously, according to United States Labor Department data published March 14, 2023. For many youth, this monthly payment is inadequate to cover all of their expenses and has left them unable to compete with other low-income Californians looking to secure housing and has impeded their ability to cover costs outside of rent. This bill, rather than increasing the overall SILP payment, directs CDSS to calculate a supplemental payment that includes the difference between one-half of the fair market rent for a two-bedroom apartment in the county in which the NMD resides, and 30% of the established rate. Each year HUD calculates the fair market rate for all 58 counties in California. The advantage to a market-based adjustment is that it follows economic trends. A one-time increase for the SILP payment would require additional adjustments over time.

Author’s statement: According to the author, “California is facing an affordability crisis, disproportionately impacting low-income Californians looking to secure housing. This is especially true for foster youth in extended foster care who participate in Supervised Independent Living Placements (SILP). Foster youth are competing for affordable housing with other low-income Californians, except that these youth do not have extended family to help them cosign for an apartment or afford a security deposit. Though foster youth in SILPs receive a monthly aid meant to cover living costs, the cost of housing has increased substantially since the SILP was established, and the basic rate provided to youth in these placements has not kept pace, leaving them vulnerable to housing instability. To reduce homelessness and help foster youth compete with the increasing cost of housing, AB 525 would establish a SILP housing supplemental payment to augment the basic rate, based on the cost of housing in their county of residence. By providing them with an additional supplement to afford the costs of housing, we ensure that they have the resources they need not just to survive, but to succeed.”

Need for this bill: The provisions of this bill seek to assist foster youth between the ages of 18 and 21 who are living independently and receiving a fixed monthly payment for their room and board, by providing additional funds to help cover the rising cost of living. The housing supplement would augment the basic rate these youth are already receiving and is designed to offset the increased prices for groceries and rent in a way that is responsive to fluctuating costs in rent, utilities, and transportation. This bill is modeled after the housing supplement that was established in 2020 for the THP-NMD program. The housing supplement proposed by this bill would be calculated annually and would vary based on the cost of housing in each county.

Equity Implications: Foster youth disproportionately are low-income when compared to their non-foster youth peers. The vast majority of children who are placed in California’s foster care system have been removed from low-income households, roughly half of them living below the federal poverty level. The average annual income of foster youth age 18 to 21 was \$9,740, placing them well below the federal poverty line. According to a CalYOUTH Study’s 2015 data, 40% of youth residing in SILPs reported their monthly budget was insufficient to cover rent and expenses such as utilities, transportation, and food. Without adequate funding, the end result for many youth is a cycle of homelessness and falling deeper into poverty. Supplementing the payments youth receive from the state is a meaningful way to reduce inequities experienced by low-income communities, LGBTQ youth, and communities of color, in which foster youth are overrepresented. At a pivotal time in a young adult’s life, providing adequate assistance allows foster youth to attend college, a trade school, find a career path, or even get any necessary mental

health care. Allowing these youth to begin their adult life on a more level playing field could provide bountiful rewards and create more equity between peers.

RELATED AND PRIOR LEGISLATION:

AB 2880 (Ting) of 2020, would have required, subject to an appropriation, the rates paid to a transitional housing provider to be supplemented at a rate based on a percentage of the average foster care expenditures for foster youth according to their age and the county in which the program operates. *AB 2880 was set to be heard by the Assembly Human Services Committee but the hearing was postponed by the committee. This policy was subsequently enacted through the Budget Act, AB 79 (Committee on Budget) Chapter 11, Statutes of 2020.*

AB 1979 (Friedman), Chapter 141, Statutes of 2020, expanded the definition of a supervised independent living setting to include a transitional living setting approved by the county to support youth entering or reentering care or transitioning between placements, and required counties to examine a county's ability to meet the emergency housing needs of NMDs, among other requirements.

AB 531 (Friedman) of 2019, would have allowed certain approved caregivers to convert to a host family without additional certification, would have required counties to examine a county's ability to meet the emergency housing needs of NMDs, and would have allowed a county welfare agency to, upon appropriation in the annual Budget Act, request funds for the purpose of providing housing navigation services to youth, among other things. *AB 531 was held on the Senate Appropriations Committee suspense file.*

AB 612 (Mitchell), Chapter 731, Statutes of 2017, made a number of changes to the program rules and educational requirements for transitional housing programs available to minors and NMDs in foster care.

AB 1712 (Beall), Chapter 846, Statutes of 2012, enabled a dependent youth to continue receiving foster care, Kinship Guardian Assistance Payments and other funding after age 18, if they are NMDs, and added THP+NMD Foster Care to the list of programs licensed by CDSS.

AB 12 (Beall), Chapter 559, Statutes of 2010, the California Fostering Connections to Success Act, enabled youth aging out of foster care to opt into extended foster care between the ages of 18 and 21.

REGISTERED SUPPORT / OPPOSITION:

Support

John Burton Advocates for Youth (Sponsor)

Allies for Every Child

California Alliance of Caregivers

California Youth Connection (CYC)

Center for Public Interest Law/Children's Advocacy Institute/University of San Diego

Children Now

County of Los Angeles Board of Supervisors

County Welfare Directors Association of California (CWDA)

First Place for Youth

Grace Institute - End Child Poverty in CA
Law Foundation of Silicon Valley
National Association of Social Workers, California Chapter
Public Counsel
Safe Place for Youth
San Diego Community College District
Vista Del Mar Child and Family Services

Opposition

None on file

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