County Executive David Villanueva

Governmental Relations and Legislative Officer Elisia De Bord



County of Sacramento

Board of Supervisors Phillip R. Serna, District 1 Patrick Kennedy, District 2 Rich Desmond, District 3 Rosario Rodriguez, District 4 Patrick Hume, District 5

May 30, 2025

The Honorable Jesse Gabriel, Chair Assembly Committee on Budget 1021 O Street, Suite 8230 Sacramento, CA 95814 The Honorable Scott Wiener, Chair Senate Committee on Budget & Fiscal Review 1020 N Street, Room 502 Sacramento, CA 95814

The Honorable Dr. Corey Jackson, Chair Assembly Budget Subcommittee No. 2 1021 O Street, Room 6120 Sacramento, CA 95814

Honorable Dr. Akilah Weber Pierson, Chair Senate Budget Subcommittee No. 3 1021 O Street, Suite 7310 Sacramento, CA 95814

Re: May Revision: Maintain Funding for Child Welfare Programs

Dear Chairs Gabriel, Wiener, Jackson, and Weber Pierson:

On behalf of the Sacramento County Board of Supervisors, I strongly oppose the Governor's proposed permanent cut in the May Revise to the Family Urgent Response System (FURS) serving current and former foster youth. We request funding to help stabilize foster family agencies impacted by increased insurance premiums. We also ask that you reject cuts to the Emergency Child Care Bridge Program for Foster Children and the Tiered Rate Structure.

FURS: FURS was created by and for youth currently or formerly in foster care and their caregivers to provide critically needed, immediate, 24/7, individualized, trauma-informed support. FURS consists of a statewide hotline and county mobile response systems that respond to any situation where youth or caregivers have identified the need for extra support, including those with the potential to lead to placement disruptions or unnecessary contact with law enforcement. This coordinated state and community-based solution helps preserve relationships and placements in family homes, links youth and families to longer-term support and services, promotes healing, and prevents the criminalization of youth who have experienced trauma. FURS is also a critical resource to promote stability for older youth (up to age 21) currently or formerly in foster care who are living on their own.

Calls to the state-level hotline and requests for mobile response continue to grow since FURS launched in 2021. However, launching during the pandemic and amid threats of complete elimination of the program last year have created challenges in realizing the program's full potential. With implementation again resuming, counties

are hard at work to ensure FURS reaches all current and former foster youth and their caregivers who can benefit from the in-person support and linkage to services provided through FURS. There is no other program available to foster caregivers and current and former foster youth that provides the level of concrete and immediate support to preserve placements and strengthen families. The cuts threaten to reverse the positive trends achieved in recent years towards increased stability and permanency for foster children, and homelessness prevention for current and former foster youth.

The May Revision proposal, if enacted, will derail critical efforts to increase prevention services provided to California families to reduce the number of children entering foster care. With this proposed 40 percent permanent cut to FURS, the program will not be able to support families that are at risk of foster care involvement and prevent removals into foster care, as planned when FURS was first developed. We urge the Legislature to reject the proposed \$13 million State General Fund (GF) proposed cut to FURS in Fiscal Year 2025-26 and ongoing. From March 1, 2024-March 31, 2025, the FURS-funded program *The Source*, operated by the Sacramento Children's Home, completed 606 FURS-eligible contacts. Of these, 191 involved mobile (in-person) responses. Overall, 99% of all FURS-eligible contacts were stabilized without the need for law enforcement intervention or referral to a higher level of care. Among mobile response contacts, 98% were similarly stabilized without requiring law enforcement involvement or escalation to a higher level of care.

Foster Family Insurance Crisis: We urge the Legislature to adopt funding for Foster Family Agencies (FFAs) to address higher insurance premiums and to prevent additional FFA closures, which threaten to displace foster youth and reduce family-based service capacity statewide. Many FFAs are at risk of closure due to the recent withdrawal of one insurance carrier, which insured approximately 90 percent of FFAs. Beginning in September 2024, FFAs began receiving notices from that insurance carrier, informing FFAs that their policies will not be renewed. Most insurance carriers are also forgoing insuring resource families with pools or other bodies of water on their property. This has left FFAs scrambling to find alternative insurance carriers, forcing FFAs to bear much higher insurance premiums with lower coverage limits.

Sacramento County Child Protective Services currently has 960 children in out-of-home care. Of these, 378 (39.4%) are placed in Resource Homes certified and supervised by FFAs FFA partners report that insurance premiums have doubled or even tripled in some cases, significantly increasing their operating costs. Although no FFA closures have been reported yet to Sacramento County, agencies warn that these rising costs are not sustainable long-term. While families served by FFAs may transition to other FFAs or to the County for certification and supervision, such shifts further strain already limited resources.

Youth currently placed in shelters or STRTPs will eventually require step-down placements into family-based settings when clinically appropriate. The availability of stable, well-supported foster homes—especially those operated through FFAs—is critical to ensuring these transitions are safe and successful.

This challenge is particularly acute for FFAs operating Intensive Services Foster Care (ISFC) programs—the highest level of home-based placement under the current rate structure. ISFC-trained resource families are more likely to accept youth with complex trauma and behavioral needs. As Sacramento County does not operate an ISFC program, closures of FFA-run ISFC programs due to insurance barriers could significantly reduce home-based options for the highest-needs youth.

To stabilize FFAs and prevent further closures, we urge the Legislature to adopt \$31.6 million GF in FY 2025-26 as proposed by a coalition led by the California Alliance of Child and Family Services, to offset FFA costs for increased insurance premiums, pending a longer-term solution to the FFA insurance issue.

Additional concerns:

- Emergency Child Care Bridge Program: May Revision proposes a 46% program reduction. This cut jeopardizes access to high-quality childcare services that support foster caregivers, particularly our relative and non-related extended family members caring for foster children. We urge rejection of this cut.
- Tiered Rate Structure (TRS): The May Revision proposes trailer bill that would trigger "on" the implementation of the TRS in the Spring of 2027. We believe it is premature to implement such a measure, and we urge rejection of this language.

Thank you for your consideration. Please feel free to contact me at (916) 874-4627 or deborde@saccounty.gov.

Sincerely,

Elisia De Bord

Elisia HoBord

Governmental Relations and Legislative Officer

cc: Members and Staff of the Senate Budget Subcommittee No. 3
Members and Staff of the Assembly Budget Subcommittee No. 2
Staff of Senate Committee on Budget & Fiscal Review
Staff of Assembly Committee on Budget
Sacramento County Delegation
Sacramento County Board of Supervisors
Audrey Ratajczak, Cruz Strategies
County Welfare Directors' Association