

2024-25 Budget Overview



Presented to:

Child Welfare Policy Roundtable

August 2, 2024

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Please Note:

- We have requested information from the administration about some of the final budget actions. We will publish more in depth analysis for various program areas—including child welfare—in the coming weeks/months.
- The information presented here reflects our best understanding to date of what the administration has shared so far, but we are continuing to work on our own independent review and analysis.

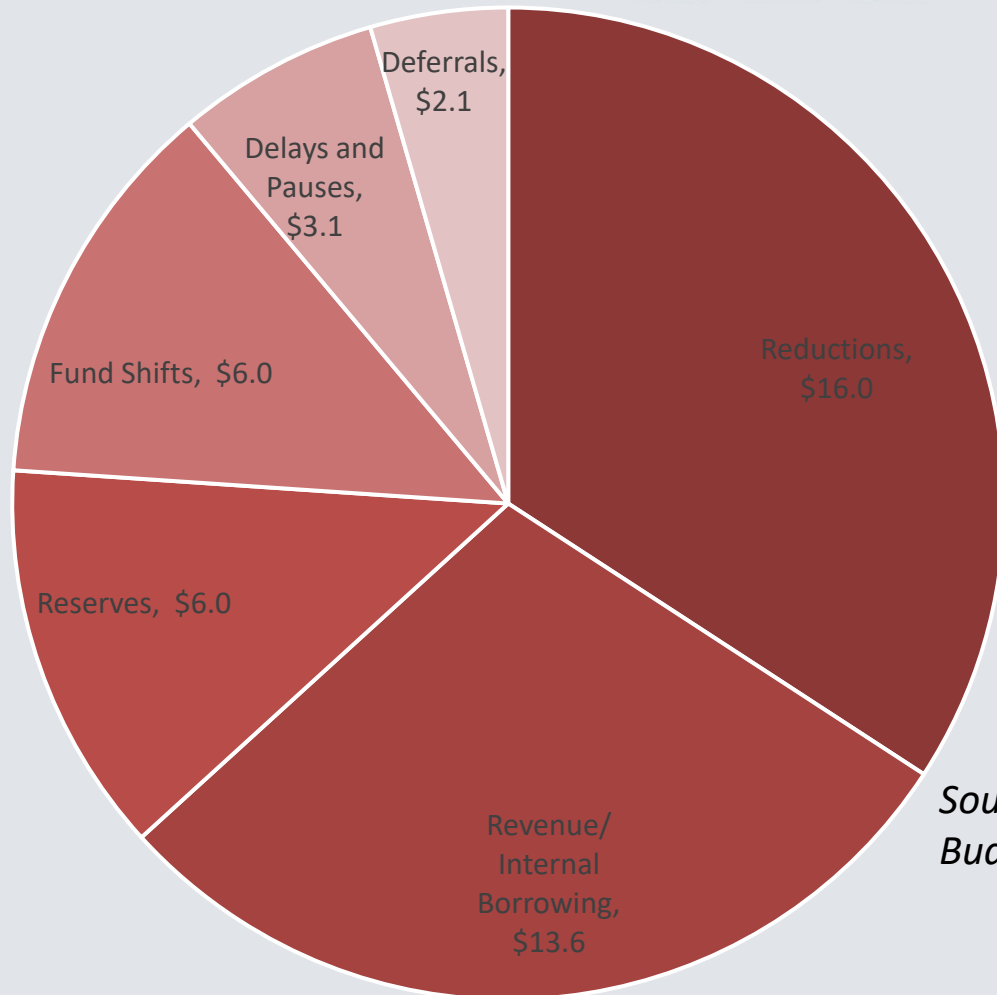
Addressing the Deficit

- Administration estimates budget solves for \$46.8 billion deficit.
- Budget maintains positive balance in state's operating reserve, using only a portion in 2024-25 (although draws down 100% of safety net reserve).
- Budget also sought to balance 2025-26 estimated revenues and expenditures.

How the 2024-25 Budget Addresses the Deficit

(Dollars in billions)

➤ Administration characterizes enacted budget solutions as:



Source: *DOF Enacted Budget Summary*

State General Fund Summary

(Dollars in billions)

	<i>2023-24 Revised</i>	<i>2024-25 Enacted</i>
Prior year's balance	\$47	\$13
Revenues & transfers	\$189	\$212
Expenditures	\$223	\$212
Ending balance	\$13	\$14
Expenditures for:		
»HHS	\$73.6	\$71.4
»DSS	\$20.8	\$20.5
»CWS & FC	\$1.056	\$0.961

*Source: DOF Enacted Budget Summary
& DSS local assistance tables.*

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Source: *DOF Enacted Budget Summary & DSS local assistance tables.*

2024-25 Enacted Child Welfare Local Assistance Funding (Under DSS)

(Dollars in millions)

	Total	Federal	State	County	Reim.
2024-25 budgeted expenditures (July appropriations)	9,919	3,474	961	5,231	253
2023-24 revised estimates (May Revision)	9,672	3,301	1,056	5,059	256
<i>Change from 2023-24 to 2024-25</i>	247	173	(95)	173	(4)

Source: DSS local assistance tables.

2024-25 Key Changes: Reductions

(Dollars in millions)

Item	Total Funds	General Fund
<i>Budget solutions:</i>		
LA County public health nurse pilot	(8)	(8)
Housing supplement for SILPs	(1)	(1)
<i>Reductions based on current law and policy:</i>		
Child welfare stabilization funding for Los Angeles County	(100)	(100)
Flexible funds to support home-based foster care placements	(50)	(50)
CWS-CARES and CalSAWS interface	(25)	(25)
COVID-19 temporary eFMAP	(25)	-
Foster Family Agencies one-time rate increase	(10)	(8)

2024-25 Key Changes: Augmentations (Dollars in millions)

Item	Total Funds	General Fund
<i>New augmentation:</i>		
Foster care rate reform initial automation	7	4
<i>Augmentations based on current law and policy:</i>		
CWS-CARES project increase	45	23
BH-CONNECT	17	13
All other net changes (e.g., COLAs for foster care, AAP, and KinGAP payments)	397	57

Reductions NOT INCLUDED

(Dollars in millions)

Item	Total Funds	General Fund
Proposed reduction: Bringing Families Home	(80)	(80)
Proposed reduction: Foster care caregiver approval funding	(50)	(50)
Proposed reduction: Emergency child care bridge reduction	(35)	(35)
Proposed reduction: FURS	(31)	(30)

Foster Care Rate Reform

- As part of overall CCR implementation, interim Level of Care rates began implementing in 2017.
 - Under statute, interim rates expire Dec. 31, 2024. Permanent rates structure must be in place by Jan. 1, 2025.
- Budget adopts language establishing new structure.
 - New tiered rates structure based on CANS assessments.
 - Two new rates components: strengths building and immediate needs.
 - Implementation of new rates scheduled to begin in 2027.
- Cost impact estimated to be hundreds of millions more for rates annually at full implementation.

Thank you!

Questions?

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