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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair  
2025 - 2026 Regular Session

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### AB 349 (Dixon) - Foster care supplement

**Version:** May 23, 2025

**Urgency:** No

**Hearing Date:** July 14, 2025

**Policy Vote:** HUMAN S. 5 - 0

**Mandate:** Yes

**Consultant:** Agnes Lee

**Bill Summary:** AB 349 would require an existing supplemental rate paid to cover the cost of care and supervision of a child of a foster youth, to be adjusted by an amount equal to the California Necessities Index (CNI).

#### Fiscal Impact:

- The California Department of Social Services estimates the following:
  - Unknown, potential costs for state operations for automation related to programming system updates, collecting data for reporting, and creating new payments; correspondence and noticing; and accounting for inflation calculations.
  - Costs to provide the infant supplement rate increases would be \$65,000 (\$58,000 General Fund and \$7,000 federal funds) in 2025-26, \$247,000 (\$221,000 General Fund and \$26,000 federal funds) in 2026-27, and \$379,000 (\$339,000 General Fund and \$40,000 federal funds) in 2027-28. Costs in future years would be dependent on the CNI.
  - One-time General Fund cost of \$107,000 to automate payment increases in the California Statewide Automated Welfare System.
  - Costs for county administration would be contingent on the completion of updates to automation systems necessary to implement the bill's provisions. The cost of administrative workload for manual claiming of payments would be \$221,000 (\$162,000 General Fund and \$59,000 federal funds) in 2025-26, and \$441,000 (\$324,000 General Fund and \$117,000 federal funds) each year until automation updates are complete. The timeline for completion of automation updates is not currently known.
- To the extent the bill increases county costs already borne by a local agency for programs or levels of service mandated by the 2011 Realignment, the bill would apply to local agencies only to the extent that the state provides annual funding for the cost increases.

**Background:** Current law establishes the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program, which provides payments to foster care providers on behalf of qualified children in foster care. Existing law also establishes the Kinship Guardianship Assistance Payment Program (Kin-GAP), which provides aid on behalf of

eligible children who have a kinship guardianship, and the Approved Relative Caregiver Funding Program (ARC), which provides payments to approved relative caregivers who are caring for children who are ineligible for AFDC-FC payments.

When a child is living with a foster youth parent who receives AFDC-FC payments, Kin-GAP benefits, or ARC payments, current law establishes a schedule of rates to be paid to the provider on behalf of the foster youth parent for the care and supervision of the foster youth's child, known as the "infant supplement." The schedule of rates for the infant supplement includes an additional monthly supplement of \$489 for the care and supervision of the child, subject to an appropriation in the annual Budget Act.

**Proposed Law:** AB 349 would require, commencing January 1, 2026, the existing \$489 monthly supplemental rate for covering the cost of care and supervision of a child of a foster youth, to be adjusted by an amount equal to the CNI, as specified.

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