CONCURRENCE IN SENATE AMENDMENTS
CSA1 Bill Id:AB 349¶Author:(Dixon)
As Amended Ver:August 29, 2025
Majority vote

SUMMARY

Requires, commencing July 1, 2026, the rate 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).

Senate Amendments
Adjust the date for the new rate to commence from January 1, 2026, to July 1, 2026.

COMMENTS

Background: Parenting Foster Youth. SB 1178 (Kuehl), Chapter 841, Statutes of 2004, required, to the greatest extent possible, county child welfare agencies, in conjunction with providers and the state, to identify and utilize whole family placements that provide foster care to teen parents and their infants, and other placement models in order to provide supportive family-focused care for minor foster youth and their children. SB 1178 further required, in identifying these placements, county child welfare agencies to work with providers and stakeholders to identify and develop programs and program models designed to meet these goals.

SB 1178 also made findings and declarations related to the urgent need to develop placement resources to permit minor parents and their children to remain together in out-of-home care when the minor parent is removed from the custody of their parents due to abuse or neglect. To address these considerations, SB 1178 encouraged the California Department of Social Services (CDSS) and local child welfare agencies to collect data on the number of minors in foster care who give birth and the number of minor parents who remain in placement with their minor children and to aggregate the data annually.

According to data from CDSS, between July and December 2024, there were 663 youth identified in the Child Welfare Services/Case Management System who were receiving the infant supplement.

SB 1178 also directed CDSS and local child welfare agencies to recruit, train, and retain qualified foster care providers for parenting foster youth, in consultation with other stakeholders, to collect information to be used to develop a more cost-effective infant supplemental payment rate structure that more adequately reimburses caregivers for the costs of infant care and teen parent mentoring. Twenty years beyond the establishment of this policy, many providers report they are still struggling to meet the needs of their parenting foster youth under their care.

It should be noted that existing law specifies that nothing precludes a county from using a portion of its county funds to increase rates paid to family homes, foster family agencies, group homes, and Short-Term Residential Therapeutic Programs (STRTPs) within that county, and to make payments for specialized care increments, clothing allowances, or infant supplements to homes within that county, solely at that county's expense.

Foster Care Rate Structure. California state law mandates that CDSS administer a system for establishing rates within the Aid to Families with Dependent Children - Foster Care (AFDC-FC) program. This system is intended to ensure appropriate rates are set to support children in foster care. Specifically, CDSS is responsible for implementing a rate structure that covers various aspects of foster care, including:

1) *Resource Family Rates*: For foster parents (resource families) who provide care for children in their homes;

2) *Level of Care Resource Family Rates*: Considers the specific needs and circumstances of each child;

3) *Kin-GAP Rates*: For kinship caregivers who have legal guardianship of a child;

4) *Adoption Assistance Program Rates*: For adoptive parents who receive assistance;

5) *Foster Family Agencies (FFA) Rates*: For agencies that provide foster care services;

6) *STRTP Rates*: For specialized residential programs;

7) *Intensive Services (ISFC) Rates*: For intensive services provided to children with complex needs;

8) *Transitional Housing Placement Nonminor Dependent Rates*: For older youth in transitional housing; and,

9) *Supervised Independent Living Placements (SILP) Rates*: For nonminor dependents (NMDs) as they transition to independent living.

Existing law required, for the 2016-17 fiscal year, CDSS to develop a basic rate in coordination with the development of the FFA 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 an FFA, is eligible for the same basic rate.

The 2022-23 budget package extended the date that the interim foster care rates would remain operative. These rates were in effect through December 31, 2024, with a permanent rate structure finalized as of January 1, 2025.

The creation of a permanent rate structure includes the Level of Care Rate Determination Protocol for home-based foster care and the rates for FFAs, Community Treatment Facilities, and STRTPs. CDSS convened a number of stakeholder workgroups in the fall of 2022 to provide input into the permanent rate structure. Specifically, four workgroups were convened comprising relevant stakeholders to consider rates for resource families, FFAs, ISFC, and STRTPs. CDSS developed a proposal for the permanent rate structure to be established by January 1, 2025, as required by statute, and indicated that the infant supplement was not proposed to be included in their forthcoming rate reform.

Those workgroups resulted in a consensus that a foster care rate structure should be child/NMD centric, follow a child/NMD regardless of the placement setting, and meet more than just the basic care and supervision needs of the child/NMD. The new rate structure, called the Tiered Rate Structure, was created based on Tribal and stakeholder engagement and introduced in the 2024-25 Governor's Budget with payments to be phased in beginning July 1, 2027.

Infant Supplement. The infant supplement is an additional payment tied to the AFDC-FC program, Kin-GAP, or Approved Relative Caregiver to provide for children of parenting foster youth who live with their parent in a foster care setting. While foster youth can continue to be in foster care until they reach 21 years of age, their child is not born into the system. Several other categories of parenting foster youth who are living with their child are also eligible for the infant supplement, including probation-supervised youth who are living in foster care, NMDs in extended foster care, and youth in non-related legal guardianships who are receiving AFDC-FC.

According to an All County Information Notice (I-10-20) issued by CDSS in February 2020, both male and female parenting youth can be eligible for an infant supplement, and all eligible teens and NMDs should be regularly screened for current or impending parenthood. The information notice states that a best practice is for social workers/probation officers to ask at monthly visits and to follow up on information that indicates a youth has a child living with them or is expecting a child. When this payment is provided to foster youth before giving birth, it is called the expectant parent payment but is the same non-optional, federally required supplemental uniform payment designed to help with the care and supervision of a child living with a parenting foster youth.

An infant supplement payment is typically given to the youth's caregiver on their behalf, with the exception of NMDs living in a SILP who receive their payment directly. The SILP is the only foster care placement where the monthly foster care rate is paid directly to the youth.

The infant supplement was established in federal law in 1985 and in California in 1986. The rate varied based on the placement type that the foster youth was in, but was originally set at $326 per month for whole-family foster homes, and foster family homes, and increased to $411 or $890 a month if in a group home placement, where it remained for approximately 20 years. In 2008, the rate was increased by 5% and was not adjusted until 2016, when it was raised to $1,379 for residents of STRTPs and $900 per month for those in other settings. It has remained at this rate since.

The infant supplement payment is one of only two foster care rates that are not automatically increased each year by a CNI-based cost-of-living adjustment. This supplement is expected to pay for all of the baby's needs, such as childcare while the teen parent attends high school or works, diapers, clothing, formula, food, parenting classes, supervision, and transportation to all medical visits for the baby.

In July of 2023, CDSS issued ACL 23-6 to provide the adjusted schedule of rates that reflect the CNI increase of 6.85% for fiscal year 2023-24, effective July 1, 2023. The CNI increase was applicable to out-of-home placements and the AFDC-FC program. The ACL also discussed FFAs being provided a one-time 8.8% increase to specified components of certain rate classifications.

The CNI is a measure of price inflation for basic goods such as food and clothing that is relevant for many human services programs. When there are changes to rates based on the CNI, CDSS issues letters and guidelines to inform counties and providers about rate changes and requirements. According to the Legislative Analyst's Office in November of 2022, the CNI grew by 6.6% in 2021, compared to an average of 3.6% over the previous five years. Because the CNI directly influences foster care rates when the CNI rises, adjustments are made to ensure that support adequately reflects the rising costs of essential goods and services.

This bill proposes to address the issue of rising costs by requiring the supplement used to cover the cost of care and supervision of a child of a foster youth to be adjusted by an amount equal to the CNI.

According to the Author
"We have a responsibility to support the parenting foster youth in California through continuing to secure sufficient resources relevant to their specialized situations. These young parents are facing immense challenges as they are working towards the prosperity of not only themselves, but their child or children. We need to continue to fight against the traumatic stressors presented to these vulnerable communities as they enter the challenging world of parenthood.

"Prioritizing these youths at the beginning of their difficult, yet admirable, journey is necessary in order to promote healthy physical and mental development for generations. [This bill] demonstrates California's dedication to taking the steps needed to combat inflation for those struggling with accessibility issues, specifically regarding infant necessities.

"Increasing the monthly supplement rate for parenting foster youth will not only bring much needed relief among high inflation rates, but demonstrate how our state's priorities are focused on assisting and strengthening those who are in vulnerable situations."

Arguments in Support
The County Welfare Directors Association of California writes in support that, "Despite the increase in costs, the supplement has not been increased since 2016, nor is it adjusted with the CNI. This is only one of two foster care rates that are not automatically increased based on CNI. This is an extremely vulnerable subset of the foster youth population that needs additional support."

Arguments in Opposition
No opposition on file.

FISCAL COMMENTS

According to the Senate Appropriations Committee on August 29, 2025:

1) Unknown, potential ongoing General fund costs for state operations for the California Department of Social Services for automation related to programming system updates, collecting data for reporting, and creating new payments; correspondence and noticing; and accounting for inflation calculations.

2) Unknown ongoing costs, likely hundreds of thousands, to provide the infant supplement rate increases (General Fund and federal funds).

3) One-time General Fund cost of $107,000 to automate payment increases in the California Statewide Automated Welfare System.

4) Unknown costs for county administration. 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.

VOTES:

ASM HUMAN SERVICES: 6-0-1
YES: Lee, Castillo, Calderon, Elhawary, Celeste Rodriguez, Tangipa
ABS, ABST OR NV: Jackson

ASM APPROPRIATIONS: 14-0-1
YES: Wicks, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta, Tangipa
ABS, ABST OR NV: Sanchez

ASSEMBLY FLOOR: 78-0-1
YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
ABS, ABST OR NV: Lee

UPDATED

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