

**Department Name:** Department of Human Assistance (Aid Payments)

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**1. Program Title: Aid Payments – Foster Care and Adoption Assistance**

**Program Description:** Foster Care provides cash and medical benefits for children placed by Child Protective Services (CPS) or Probation in a certified foster home. Adoption Assistance provides financial assistance to parents of adopted children with special needs.

	Base	Unfunded	Recommended	Percentage
Appropriations	143,349,496	1,363,330	141,986,166	1%
Reimbursements (-)	0	0	0	0.0%
Net Appropriations	143,349,496	1,363,330	141,986,166	1%
Revenues:				
Federal	49,169,309	363,330	48,805,979	.74%
State	2,634,250	0	2,634,250	0.0%
Realignment	57,629,240	0	57,629,240	0.0%
Prop 172	0	0	0	0.0%
Fees	0	0	0	0.0%
Other	0	0	0	0.0%
Total Revenues	109,432,799	363,330	109,069,469	.33%
Carryover	0	0	0	0.0%
Net Cost	33,916,697	1,000,000	32,916,697	3%
Fulltime Equivalent Positions	0.0	0.0	0.0	0.0%

**Program Impact:** To help meet the General Fund allocation and flat allocations of Realignment revenue for the Aid Payments budget unit, costs for Foster Care and Adoption Assistance payments reflect a 1% reduction below DHA's cost estimate for Fiscal Year 2014-15. There are only four ways to achieve such savings:

1. DHHS and Probation would have to significantly reduce the number of children in placement
2. DHHS and Probation would have to significantly alter the level of care to much lower and less expensive placements;
3. DHA would have to pay providers at a lower-than-approved rate, pro-rated in such a way as to ensure budgeted funds are available through the end of the fiscal year.
4. DHA would have to stop making payments to providers when budgeted funds are depleted.

The Department is advised that Options 1 and 2 are not viable given the role played by the Courts in determining the placement of children as wards or dependents and in designating the level of placement. Options 3 and 4 would subject the County to litigation from providers and violate established rates of reimbursement by the State.

**Potential Impact on other Departments/Program Partners:** Over \$1.3 million in Foster Care and Adoption Assistance payments will not be issued due to the lack of General Fund to cover the required County share. It is unknown how providers and other recipients of these payments will respond and what impact this will have on the children in Foster Care and Adoption Assistance Programs.

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