

2024

**UNDERFUNDED AND
OVERWHELMED: THE CRISIS
FACING FOSTER FAMILY
AGENCIES**

**FOSTER FAMILY AGENCIES (FFAs)
SURVEY FINDINGS REPORT**

EXECUTIVE SUMMARY

2023 FFAs Survey Findings

Background

Foster Family Agencies (FFA) are state-licensed, nationally accredited nonprofits that recruit, develop, and retain resource families, provide social work support and services to children and families, and train and transition families to become Intensive Services Foster Care (ISFC) families. ISFC assists the highest-need children and youth in care, and FFAs support nearly 100% of ISFC homes. Through the implementation of the Continuum of Care Reform (CCR) and the Family First Prevention Services Act (FFPSA), the need for ISFC-capable families and intensive home-based care has risen. Notably, FFAs do not receive an annual increase in their rates, unlike most foster care entities, which receive rates to account for annual cost increases. In 2017, CCR established the current rate structure; since then, FFAs have received only two modest supplements, a 4% increase in 2019 and a \$50 per child per month increase specifically for the social worker component of the rate. FFAs received a one-time increase of 8.8% in 2023, but that funding expires in July 2024. Overall, the funding used to support the recruitment, development, and retention efforts of families comes from the administrative portion of the FFA rate, has remained flat for almost 20 years, and does not account for the additional unfunded mandates imposed by the State. The CA Alliance surveyed member FFAs in July 2022 and found that 70% of families were actively given reunification services, and 60% of youth in care were reunified with a biological family member. Consequently, the lack of appropriate funding for FFAs is detrimental to this critical safety net and the State's vision of CCR, reducing the number of youths in foster care placed in congregate care and promoting family reunification.

Findings

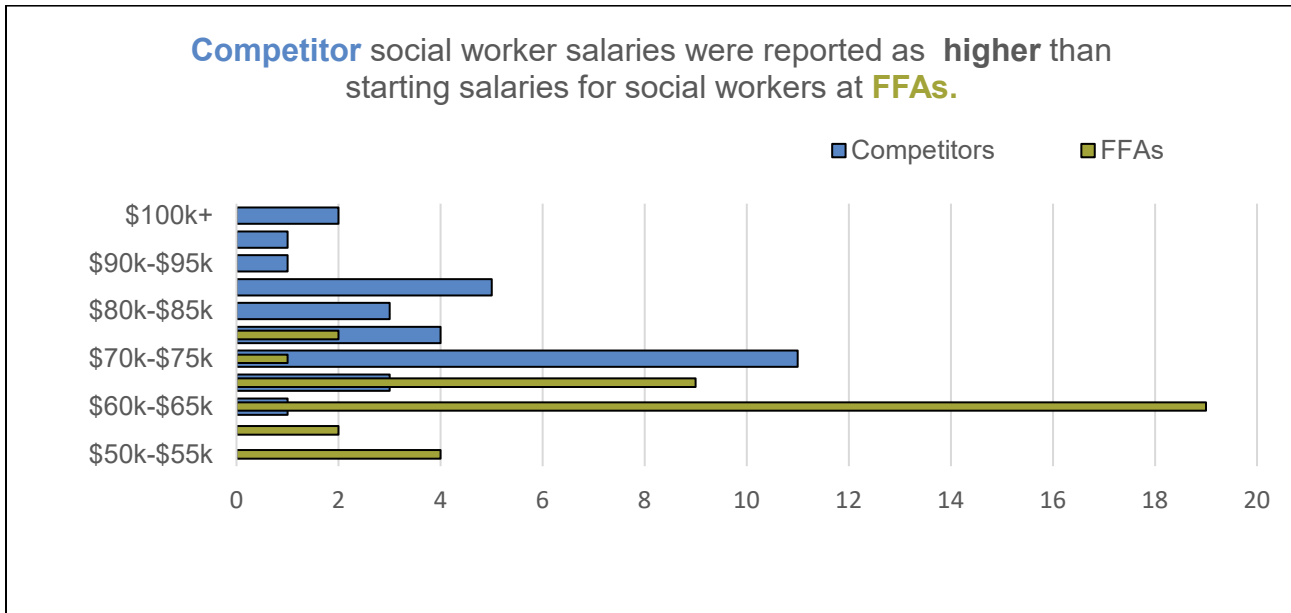
The CA Alliance surveyed member FFA providers from December 2023 to January 2024. Thirty-nine members reported on challenges they faced this past year (2023), including social worker compensation and workforce competitors, social worker turnover rates, closures and downsizing related to rate stagnation, and FFAs' utilization of the latest rate increase.

FFAs cannot contend with competitor master's level social worker salaries, making it difficult for FFAs to attract and retain quality social workers to serve youth and families.

- **~50%** of FFAs reported their **starting salary for licensed social workers** at FFAs to be around the minimum, **\$60 to \$65k**.
- **The county, school districts, and hospitals** were named as the **largest competitors** in recruiting social workers in their areas.
- **40%** of FFAs reported **competitors paying** their social workers **above \$75k**.
- On average, competitors tend to pay almost **\$10,000 more** than what FFAs can.

EXECUTIVE SUMMARY

2023 FFAs Survey Findings



Most FFAs are experiencing some form of social worker turnover, leading to disruption and diminished care of families and potentially reduced placement of youth.

- **~68%** of FFAs experienced some **turnover**.
- At the time of the survey, FFAs had a **~16% social worker vacancy rate**.
- About **67% of FFAs spent a quarter to half a year hiring** vacant social worker positions.



FFAs have an average annual 36% social worker turnover

There is only about a **3% achievement of permanency** for foster youth with **3 or more social workers**, compared to **74.5% with one** social worker.¹

FFAs are at elevated risk of closing and/or downsizing due to insufficient rates, projecting a gap in crucial care for high-need youth and families.

- **30%** of FFAs have already **closed or downsized** (16% and 14%, respectively).
- **35%** of FFAs are at **risk of shutting down** in the next 6-12 months without increased funding.
- **68%** of FFAs are at risk of **downsizing** due to **insufficient rates**.
- **64%** of FFAs **operate** primarily with **state funds**.
- FFA programs are experiencing anywhere from **\$10k to \$1.5 million structural program deficit**, depending on size, with **most losing over \$200k**.

¹ Social Worker Turnover Studies | California Alliance of Child and Family Services. (n.d.). Retrieved February 5, 2024, from <https://www.cacfs.org/social-worker-turnover-studies>

EXECUTIVE SUMMARY

2023 FFAs Survey Findings

FFAs' latest rate increases secured annual increases, reduced structural program deficits, and paid incentives to resource families.

- **60%** of FFAs used the increase for **staff wages, benefits, and mileage reimbursement.**
- **36%** of FFAs used the increase to help **cover general overhead** and programming expenses.
- **25%** of FFAs used the increase **to pay incentives** and recruit **resource families.**

“We used [the rate increase] to attract and retain FFA social workers and vital support roles. Without this continued funding, it becomes even more challenging to deliver quality services and retain great workers.”

-FFA Alliance member

Recommendation: FFA providers are struggling to serve youth and families against sustainability and workforce challenges. FFAs are at a critical juncture and the state is at risk of completely collapsing this critical safety net for our state's most vulnerable population. We suggest extending and expanding the current rate to support FFAs in keeping their services running for the youth and families they serve.

FOSTER FAMILY AGENCIES (FFAs) SURVEY FINDINGS REPORT

2023 FFAs Provider Survey Findings Report

Background

A “Foster Family Agency” (FFA) is any public agency (county-run or otherwise) or private organization that is run and operated on a nonprofit basis, engaged in any of the following:

- recruiting, training, and approving of, and providing professional support to foster parents and resource families²,
- coordinating with county placing agencies to find homes for foster children in need of care, and;
- providing services and support to approved FFA resource families, county-approved resource families, and children to the extent authorized by state and federal law.

FFAs also work with families who can further be trained and transitioned to becoming Intensive Services Foster Care (ISFC) families. ISFC assists the highest-need children and youth in care, and FFAs support almost 100% of ISFC family-based homes. Through the implementation of the Continuum of Care Reform (CCR) and the Family First Prevention Services Act (FFPSA), the need for ISFC-capable families and intensive home-based care has risen. However, it has become difficult for FFAs to keep pace with this need and recruit and retain sufficient families for this necessity.³

FFAs' challenges include being unable to sustain their services as the need for their services grows. The California Department of Social Services (CDSS) maintains a rate-setting system⁴ for FFAs to aid families with dependent children in foster care.⁵ The rates vary based on the Level of Care Determination Protocol.⁶ FFAs do not receive an annual increase in their rates like nearly all other foster care rates to account for increases in costs and receive a cost-of-living adjustment based on the California Necessities Index (CNI), which is 6.85% for Fiscal Year 2023-24. In 2017, CCR established the current rate structure; since then, FFAs have received only two modest supplements, a 4% increase in 2019 and a \$50 per child per month increase specifically for the social worker rate component. FFAs received a one-time increase of 8.8% in 2023, but that funding expires in July 2024. Overall, the funding is used to support the resource parent recruitment, training, approval, and retention efforts. The administrative portion of the FFA rate that supports these efforts has remained flat for 20 years and does not account for the additional

² Resource Families. (n.d.). Retrieved February 7, 2024, from <https://www.cdss.ca.gov/resource-families>

³ *Foster Family Agencies: Interim Licensing Standards v.6.* (2023). California Department of Social Services (CDSS). https://www.cdss.ca.gov/Portals/9/CCL/Childrens-Residential-Licensing/ILS/FFA_ILSv6.pdf

⁴ *All County Letter No.22-59* (2022), California Department of Social Services (CDSS). <https://www.cdss.ca.gov/Portals/9/Additional-Resources/Letters-and-Notices/ACLs/2022/22-59.pdf?ver=2022-07-14-130951-700>

⁵ *Eligibility and Assistance Standards AFDC-FC and AAP Programs* (1998), California Department of Social Services (CDSS). <https://www.cdss.ca.gov/ord/entres/getinfo/pdf/eas12b.pdf>

⁶ *Level of Care Rate Determination Protocol Infographic.* (n.d.). Retrieved February 7, 2024 from <https://www.cdss.ca.gov/Portals/9/CCR/LOC/LOCP%20Infographic%20FINAL.pdf?ver=2019-07-29-163349-427>

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unfunded mandates imposed by the State and counties (such as accreditation, supervised visits, transportation, increased costs of recruiting and training, etc.).

Introduction to Survey

The California Alliance (“CA Alliance”) conducted a provider survey from December 2023 to January 2024 to better understand how Foster Family Agency (FFA) members fared this past year. The survey asked about challenges related to social worker compensation, workforce competitors, social worker turnover rates, closures and downsizing related to rate stagnation, and FFAs’ utilization of the latest rate increase.

About Survey Participating FFAs

Thirty-nine FFAs from the CA Alliance’s membership participated in our survey. About a third of the FFAs who completed the survey provide services statewide. Of California’s 58 counties, our FFAs reported serving 32 unique counties. More than half (67%) served two or more counties, and only about a third (33%) served only one. At least three FFAs served nine or more counties. The top three counties served by FFAs were Los Angeles (LA), Solano, and Stanislaus. LA County (21%) was named the most as a county of operation. LA County has the highest number of youths in foster care. Therefore, the survey adequately reflects the high concentration of FFAs serving LA County youth.

FFAs often work to provide youth placements with families within and outside their counties. A total of 38 unique placement counties were listed by FFAs (see box on the right for a list of counties). The county most often mentioned as a placement county was Los Angeles. The top five placement counties were Los Angeles, San Bernardino, Riverside, Orange, and Contra Costa (bolded in the box). Most counties worked on placing youth with two or more counties, but this number ranged from as few as one to as many as fifteen. CA Alliance FFAs work in counties that represent 96% of youth in foster care.⁷

A significant role of FFAs is recruiting families for the youth they are trying to place. The three groups most challenging to recruit suitable families to place with were teens who were 13 and

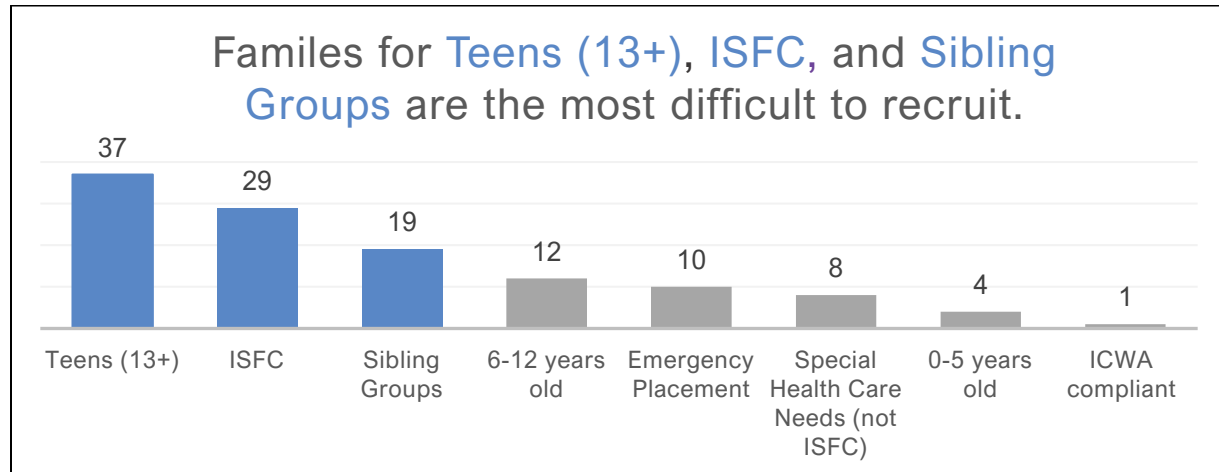
The 38 California Foster Youth Placement Counties Listed by FFAs

Alameda	San Diego
Butte	San Francisco
Contra Costa	San Joaquin
Fresno	San Luis Obispo
Glenn	San Mateo
Humboldt	Santa Barbara
Kern	Santa Clara
Los Angeles	Santa Cruz
Madera	Shasta
Marin	Siskiyou
Merced	Solano
Monterey	Sonoma
Napa	Stanislaus
Nevada	Sutter
Orange	Tehama
Placer	Tulare
Riverside	Ventura
Sacramento	Yolo
San Bernardino	Yuba

⁷Webster, D., Lee, S., Dawson, W., Magruder, J., Exel, M., Cuccaro-Alamin, S., Putnam-Hornstein, E., Wiegmann, W., Saika, G., Courtney, M., Eastman, A.L., Hammond, I., Gomez, A., Gomez Hernandez, F., Sunaryo, E., Guo, S., Agarwal, A., Berwick, H., Hoerl, C., Yee, H., Gonzalez, A., Ensele, P., Nevin, J., & Guinan, B. (2024). *Point in Time/In Care Report California Child Welfare Indicators Project (CCWIP)*. Retrieved March 28, 2024, from <https://ccwip.berkeley.edu/childwelfare/reports/PIT/MTMG/r/ab636/>

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over, youth needing ISFC, and sibling groups to prevent separation. See the chart below for additional complex family placement groups, including locating families compliant with the Indian Child Welfare Act (ICWA). The act requires that states place tribal children in foster care with their extended family as a priority or a licensed/approved tribe foster family.⁸



Salaries: FFAs vs. Competitors

FFAs often cannot compete with their competitors' social worker salaries, making it difficult for FFAs to attract and retain quality social workers to serve youth and families. Surveyed FFA members revealed that almost 50% report their starting salary for licensed social workers to hover around \$60 to \$65k. Only about 36% could claim they paid above that range. The minimum exempt salary for a master's level social worker is \$66,560 (not including benefits).⁹ FFAs cannot pay more than the minimum salary for a licensed social worker because they cannot afford to pay much more.

In contrast, when asked who and how much FFA competitors in their region pay master's level social workers, the responses were clear--FFAs identified their top competitors in recruiting social workers as the county, school districts, and hospitals. The county accounted for most mentions. These include local county welfare, county behavioral health, and child protective services. The listed educational institutions comprised local schools, their school districts, and even a research university. Hospitals, especially large healthcare entities, were labeled as competitors. Other local non-profits and mental health centers in the FFAs area were less frequently mentioned but still classified as competitors.

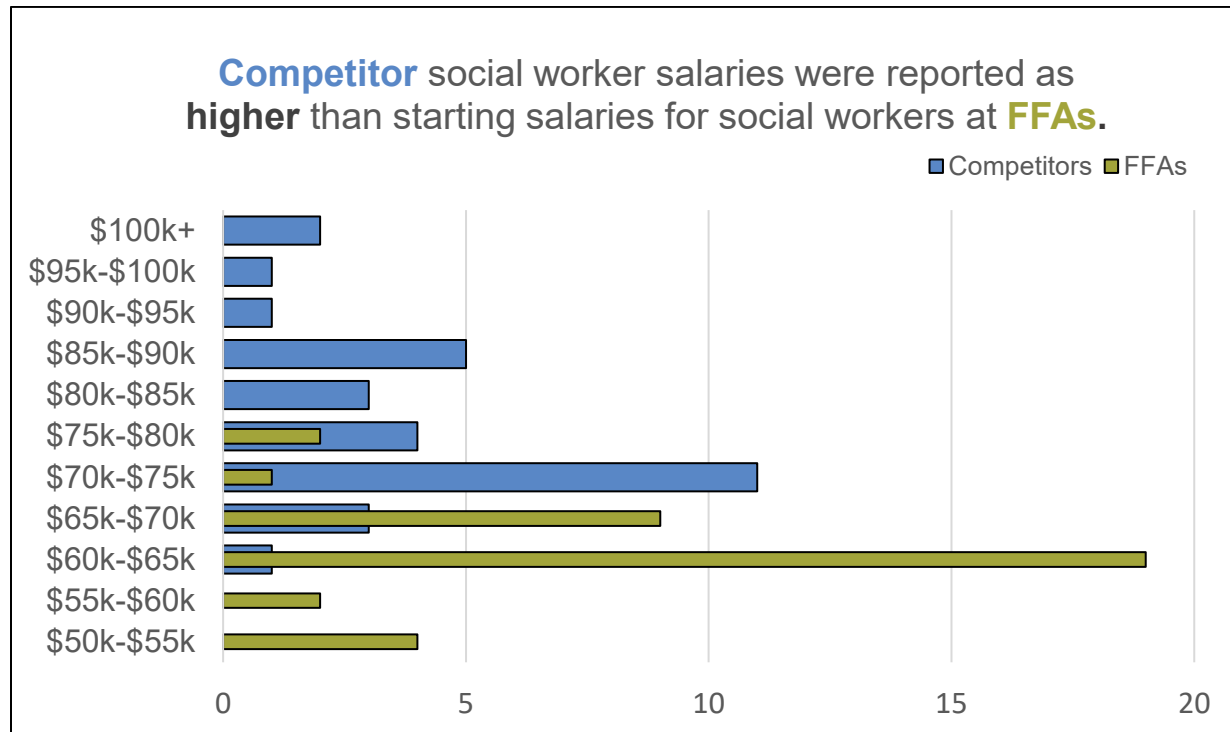
"The County by far is the largest competitor in recruiting social workers"
- FFA Alliance Member

⁸ For Families & Service Providers » NICWA. (n.d.). NICWA. Retrieved February 7, 2024, from <https://www.nicwa.org/families-service-providers/>

⁹ Cal/OSHA, & California, S. of. (2023, Sept. 26). *California's Minimum Wage to Increase to \$16 per hour in January 2024* | California Department of Industrial Relations. Retrieved March 27, 2024, from <https://www.dir.ca.gov/DIRNews/2023/2023-66.html>

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Additional agencies listed as competitors were private and for-profit practices, state and federal departments, and agencies able to offer flexibility, such as hybrid or remote work.



Over a quarter of FFAs (28%) report the average salary of competitors in their area is in the \$70k to \$75k range. This means that, on average, competitors tend to pay almost \$10,000 more than what FFAs can pay. About 40% of FFAs reported competitors paying above \$75k. Some FFAs mentioned being unsure or not knowing how much competitors paid; others felt they paid the same as the competition. Some thought they were on par with other FFAs but below the competition. Overall, it was clear that FFAs viewed competitors as tending to pay much higher salary ranges to social workers than the starting salaries at FFAs (see chart above).

Consequently, this affects FFAs' ability to attract and retain quality social workers to serve high-need families and youth.

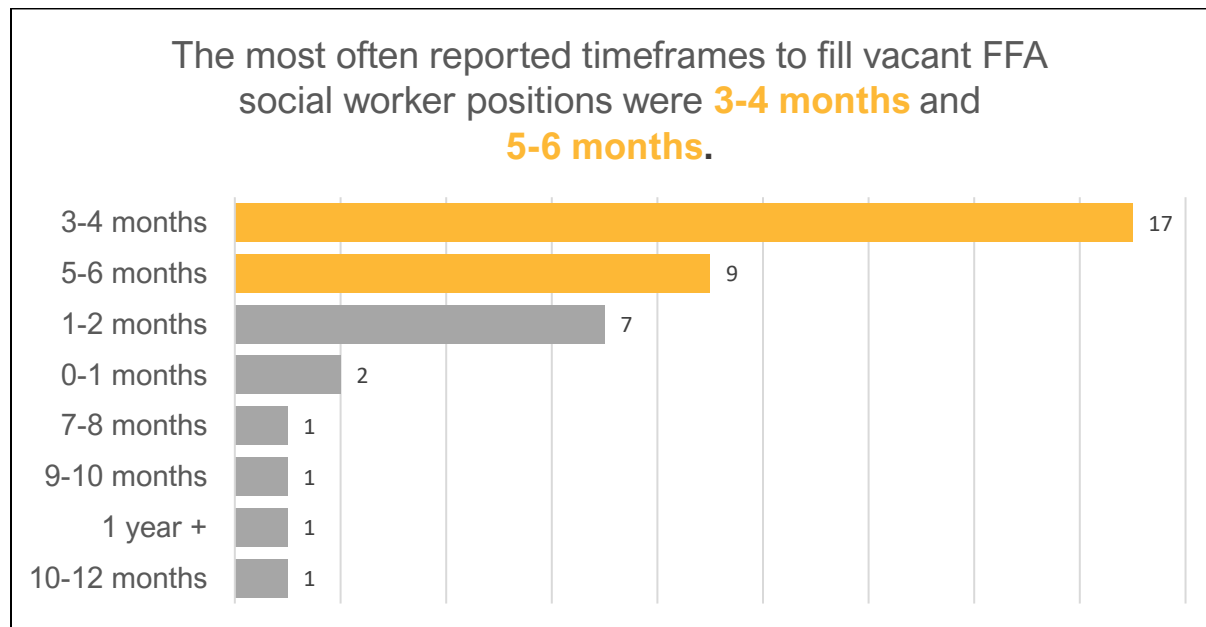
Turnover: A common occurrence among FFAs

Most FFAs are experiencing some form of social worker turnover, which leads to disruption and diminished care to children and families and potentially reduced placement of youth. In the past year, the average turnover rate reported by 38 FFAs was 36%, ranging from zero to 100% turnover.

Overall, approximately 68% of FFAs experienced turnover. At the time of the survey, FFAs had an approximately 16% social worker vacancy rate. FFAs reported spending time hiring an average of two people in the past year. About 67% of FFAs often reported that, on average, it takes them 3 to 4 months or 5 to 6 months to fill an FFA position (44% and 23%, respectively). These statistics suggest that over half of FFAs spent almost a quarter to half a year trying to fill a position (see chart below). According to research, there is a 3% achievement of permanency for foster youth with three or more social workers, compared to 74.5% with one social worker.¹ This has implications for the success of placing youth while having a revolving door of social workers.



FFAs have an average annual **36%** social worker turnover rate.



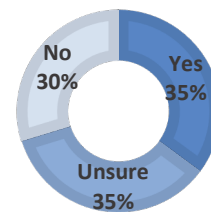
Closure & downsizing: FFAs are at high risk

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FFAs are at an elevated risk of closing and/or downsizing due to insufficient rates, projecting a gap in crucial care for high-need youth and families. A total of 37 FFAs responded to our survey question about the risk of closure. Of those, about 16% reported closing facilities. Some FFAs described the closures were due to several reasons, primarily the declining census of kids in foster care overall and fewer referrals from counties. One noted the FFA/ISFC contract expense and an inability to sustain the rising cost of program delivery as their reason for closure. Others argued that the county was responsible for the closures because it offered incentives for families to port to the county instead of paying the FFA the ISFC rate. Another felt the county was delaying clearing families for placement and porting families. Closing FFAs have had to shutter locations and transfer families and children to other nearby locations. Another 14% of FFAs also reported having to downsize. The remaining FFAs mentioned they were considering or were on the verge of closing.

When asked directly if their FFA was at risk of shutting down in the next 6-12 months, the majority (70%) were split between yes (35%) and unsure (35%), suggesting elevated levels of risk and insecurity. Only about a third (30%) could confidently say they were not at risk of shutting down. To further clarify the link between funding and their ability to stay open in the foreseeable future, FFAs were asked if they anticipated downsizing due to insufficient FFA rates. About 68% reported they planned to downsize due to insufficient FFA rates, and only 19% said no; they were not expecting to downsize. The remaining FFAs reported they were unsure or were planning to downsize. These closures and downsizing levels suggest there are likely to be fewer FFAs and staff available to support high-need youth and families, especially as FFAs' services continue to be needed.

35% OF FFAs ARE AT RISK OF SHUTTING DOWN IN THE NEXT 6-12 MONTHS W/O FUNDING



Operating Funds: FFAs operating with a deficit

FFAs primarily operate on the state rate; many operate with a deficit. When asked about the extent to which their FFA operated with the state rate, most FFAs reported operating with the state-set rate (64%). Only 10% reported operating programming using just 50% of state funding. FFAs also mentioned they were looking into diversifying funding. FFAs provided examples of alternative funding sources, including private philanthropy, supplemental contracts from the county, and integrated mental health, to bridge their funding deficits. However, FFAs should not have to resort to operating in this manner, as the rate provided should be sufficient to meet the costs of operating their programming.

About 73% of FFAs in the survey described themselves as operating on a deficit. The deficits shared ranged from \$10k to \$1.5 million structural program deficit, depending on size, with most

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losing over \$200k. Additionally, FFAs mentioned the deficit has led to office closures, not filling positions, and conducting layoffs. Some FFAs also reported being at a deficit despite receiving temporary grants and supplementing funding from other sources. The remaining FFAs reported they were not operating at a deficit, breaking even, or had managed to leverage donations to offset their deficit. Overall, these findings indicate that most FFAs are relying on the state to help fund services. Without increases, they will continue to be forced to make tough decisions that impact the services they may be able to provide to youth and families and their ability to keep their doors open.

8.8% rate increase: FFAs utilized the rate to stabilize

During 2023, FFAs received an 8.8% increase in FFA Level of Care rates.¹⁰ The rate increase was to be used towards the FFA administrative costs, as the resource families they serve annually receive an increase. FFAs' latest rate increase helped secure annual staff salary increases, reduced structural program deficits, and paid incentives to resource families.

More than half (60%) of FFAs mentioned using the increased funding for staff wages, mileage benefits, and mileage reimbursement. There has been an increase in wages across the state, and the rate has helped FFAs make the necessary adjustments to continue paying staff at the increased rate. FFAs reported the wage increase helped reduce some of their staff's cost-of-living expenses. Additionally, FFAs shared that providing wage increases to social workers has helped them remain competitive and helped them attract and retain staff to deliver quality and ongoing care to their families.

“We used [the rate increase] to attract and retain FFA social workers and vital support roles. Without this continued funding, it becomes even more challenging to deliver quality services and retain great workers.”
-FFA Alliance member

Over a third (36%) of FFAs mentioned using the increased funding to help cover general overhead and programming expenses, especially as prices have risen. These items include equipment, administrative, building leases, and operating costs.

¹⁰ *All County Letter No. 23-65*. (n.d.). California Department of Social Services (CDSS). Retrieved February 22, 2024, from <https://www.cdss.ca.gov/Portals/9/Additional-Resources/Letters-and-Notices/ACLs/2023/23-65.pdf?ver=2023-07-28-161727-120>

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“We have kept our [social worker] exempt employees, the funding has helped to cover the cost of the exempt salary being increased due to the increase in the minimum wage. We have also increased recruitment and retention efforts for resource parents. Increased engagement opportunities with resource parents.”

-FFA Alliance member

About a quarter of FFAs (25%) mentioned using the increased funding towards resource families and youth. They were able to provide adjustments towards recruitment and incentives for families and referrals. Another 20% of FFAs used the funding increase to help them stay afloat, using the funding to reduce losses of running services and decrease their deficit.

Concluding Remarks & Recommendation

The CA Alliance FFA membership represented in this survey illustrates a group of providers struggling to serve youth and families against sustainability and workforce challenges. FFAs are at a critical juncture, and the state is at risk of completely collapsing this critical safety net for our state’s most vulnerable population. FFAs are confronted with serving high-need youth amid social worker retention struggles. Social workers are essential in helping place their clients but are lured away by better pay from competitors. Meanwhile, FFAs struggle to maintain operations amid deficits, rising costs, and stagnating rates while attempting to raise funding to serve youth and families. All this affects the quality of care FFAs can provide and perpetuates a struggle for feasibility that ultimately affects youth. Last year’s temporary rate increase demonstrated that FFAs used it effectively. A July 2022 CA Alliance survey found that 70% of families received reunification services, and 60% of youth were reunified with a family member. We suggest extending and expanding the current rate to support FFAs in keeping their services running. This can help achieve the State's goal of reducing the number of youths in congregate care, ensuring youth are not sleeping in county offices or unlicensed settings, and promoting family reunification.