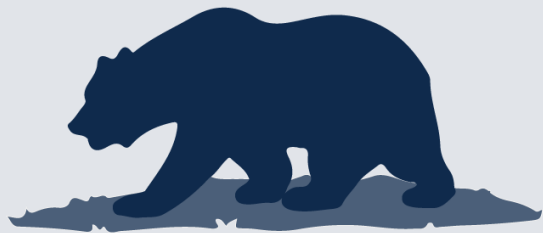


2024-25 Governor's Budget Overview



Presented to:

Child Welfare Policy Roundtable

February 2, 2024

Angela Short

Legislative Analyst's Office

What is the LAO?

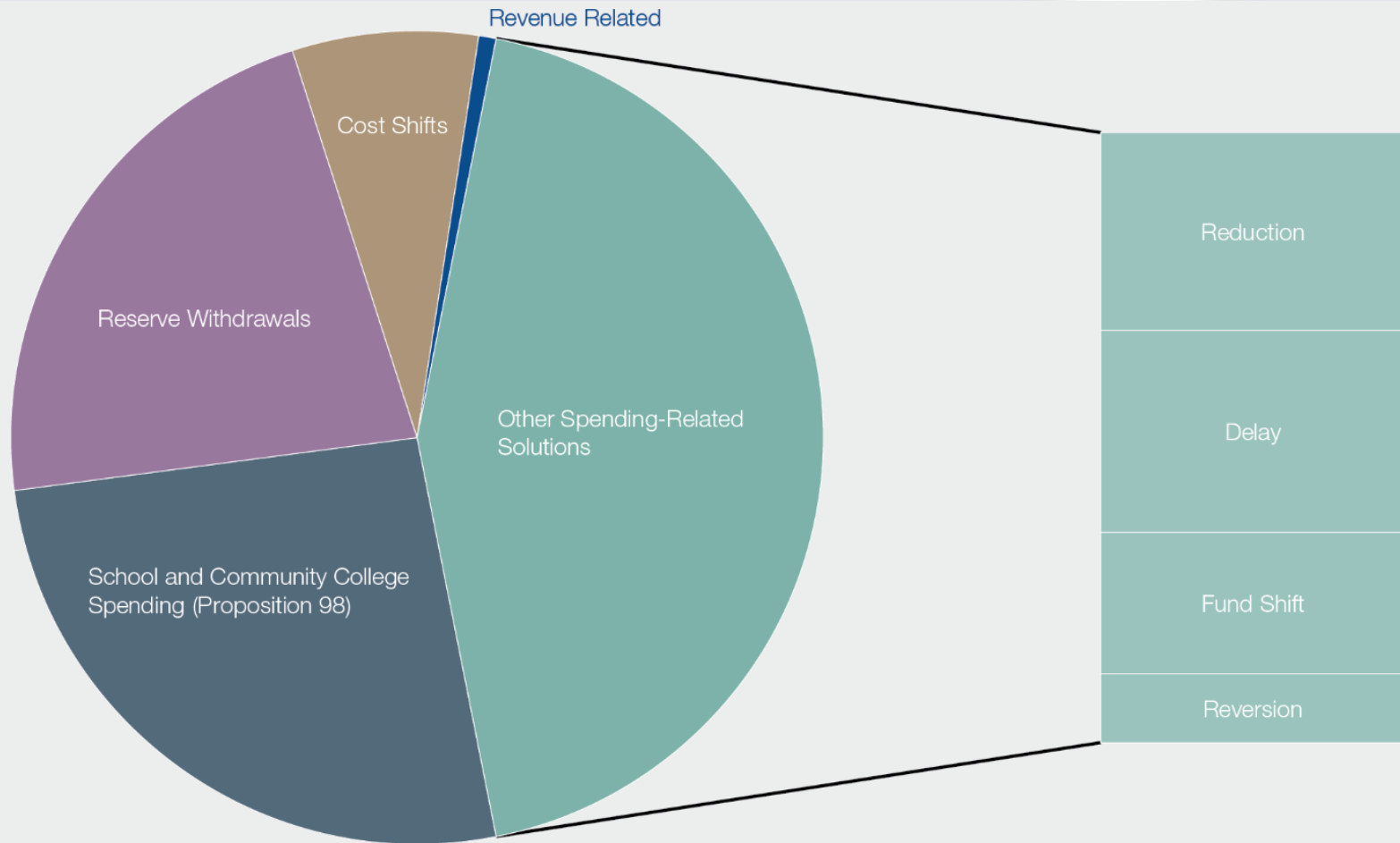
- Non-partisan office providing fiscal and policy guidance to the Legislature.
- Work closely with budget and policy committees, and respond to requests from individual members' offices.
- Legislature's "eyes and ears."
- Ballot analysis work.

2024-25 Fiscal Year Current Landscape

State faces significant budget problem.

- Why does the state face a budget problem?
- How prepared is the state to address the problem?
- What is the budget outlook for future years?

How does Governor's Budget address the estimated budget problem?



2024-25 Governor's Budget: State General Fund Summary

Dollars in billions

	2023-24 Allocation (July 2023)	2023-24 Revised (January 2024)	2024-25 Proposed (January 2024)
Prior year's balance	\$26	\$42	\$8
Revenues & transfers	\$209	\$197	\$215
Expenditures	\$226	\$231	\$209
Ending balance	\$9	\$8	\$14
Expenditures for:			
»HHS	\$73.9	\$74.1	\$73.6
»DSS	\$21.7	\$20.5	\$21.8
»CWS & FC	\$1.061	\$0.954	\$0.888

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2024-25 Proposed Child Welfare Funding (Under DSS)

Includes Child Welfare Services, Foster Care, AAP, KinGAP, and ARC

(Dollars in millions)

	Total	Federal	State	County	Reim.
<i>2024 Governor's Budget:</i>					
2024-25 Proposal at GB	9,632	3,326	888	5,166	251
2023-24 Revised Budget at GB	9,479	3,234	954	5,034	256
<i>2023-24 Allocation:</i>					
2023-24 at 2023 Budget Act	9,754	3,312	1,061	5,124	256
<i>Change from 2023-24 to 2024-25 (Governor's Budget figures)</i>	153	93	(66)	132	(5)
<i>Change from 2023-24 to 2024-25 (Allocation to Governor's Budget)</i>	(122)	14	(173)	42	(5)
<i>2023-24 change from Allocation to Governor's Budget</i>	(274)	(79)	(107)	(90)	1

2024-25 Key Changes: New Proposals

Dollars in millions

<i>Item</i>	<i>Total Funds</i>	<i>General Fund</i>
Proposed reduction: FURS	(31)	(30)
Proposed reduction: LA County public health nurse pilot	(8)	(8)
Proposed reduction: Housing supplement for SILPs	(1)	(1)
Proposed extension of expenditure authority: FFPSA Part I	-	-
Proposed delay: Bringing Families Home	-	-
Proposed augmentation: CCR Permanent Rates automation	12	12

2024-25 Key Changes: Augmentations Based on Current Law

Dollars in millions

<i>Item</i>	<i>Total Funds</i>	<i>General Fund</i>
CWS-CARES project increase	45	23
BH-CONNECT	17	13
Net changes in CCR costs	29	17

2024-25 Key Changes: Reductions Based on Current Law

Dollars in millions

<i>Item</i>	<i>Total Funds</i>	<i>General Fund</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)

CCR Permanent Rates

- 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.
- DSS has proposed initial framework.
 - Represents some significant changes to current interim rate structure.
 - Many details still unknown; we expect administration will propose TBL as part of this budget cycle.
 - Cost impact still unknown.
 - Implementation of new rates likely cannot begin until 2025-26 earliest.

Thank you!

Questions?

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