

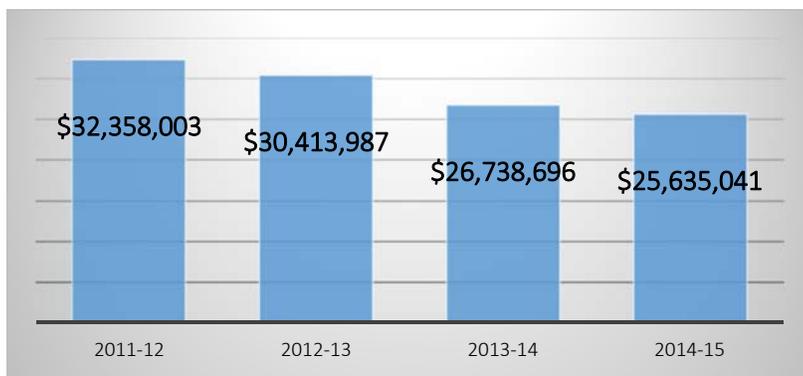
Why Has Statewide Spending on Transitional Housing for Former Foster Youth Decreased, and What Can We Do About it?

Summary:

THP-Plus provides affordable housing and comprehensive supportive services to former foster youth ages 18 to 24 in California. THP-Plus has been underspent each year for the last three years, which given the crisis in housing affordability for former foster youth, raises serious concerns. According to the most recent 2011 Realignment report, counties spent \$25.6 million on THP-Plus in 2014-15, down 21% from \$32.4 million in 2011-12. To promote full utilization of THP-Plus, John Burton Advocates for Youth has proposed a series of strategies.

How Much Have THP-Plus Expenditures Decreased?

THP-Plus Expenditures by Yearⁱ



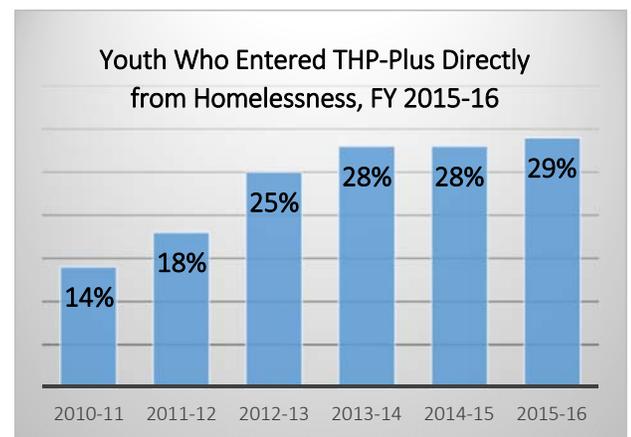
Statewide THP-Plus budget: \$34,928,000ⁱⁱ

The number of counties implementing THP-Plus remains relatively consistent, but statewide spending has decreased by 21% between Fiscal Years (FY) 2011-12 and 2014-15. As a state, we are only utilizing 73% of our THP-Plus budget as of FY 2014-15.

What are possible explanations for the reduction in THP-Plus expenditures?

1. Most 18, 19 and 20 year-olds are opting to participate in Extended Foster Care (EFC), so they are not accessing THP-Plus. The program now primarily serves 21-24 year-olds. (See chart to right)ⁱⁱⁱ
2. The “older” transition-age youth population (21-24 year-olds) tend to be more disconnected from existing services and systems and tend to have more dire housing and other needs, making them more difficult to identify and reach. This is illustrated in the increase in percentage of youth entering THP-Plus directly from homelessness. (See chart to right)^{iv}
3. California’s affordable housing crisis has made it increasingly challenging for providers to identify and secure rental units for their participants.
4. Although the THP-Plus Realignment allocation is designated for THP-Plus, the new flexibility and discretion that Realignment generally afforded counties may be impacting how counties are utilizing their THP-Plus budget.
5. State interpretation of AB12 funding mandates and questions about whether counties will be fully reimbursed for AB12 spending may have implications on county spending in general.

THP-Plus Participant Age	2010-11	2015-16
18, 19, 20	73%	15%
21, 22, 23	27%	85%



Local Strategies for Utilizing THP-Plus Funding to Support Former Foster Youth at Risk of Homelessness:

1. INCREASE BED CAPACITY

A county that is not fully utilizing their THP-Plus allocation and whose programs have waiting lists, should first consider increasing their THP-Plus bed capacity to ensure youth in need of housing are being provided this service with the funding intended for this purpose.

2. ENSURE SUFFICIENT OUTREACH IS BEING CONDUCTED

Prior to the extension of foster care to age 21, the majority of THP-Plus participants were 18, 19 and 20 years old. Now that 85 percent of THP-Plus participants are between the ages of 21 and 24, some providers report that it is more challenging to identify these youth, many of whom are not entering THP-Plus directly from foster care, and nearly a third of whom are entering THP-Plus directly from homelessness. In order to reach this more marginal population, providers may have to adjust outreach plans, which may include significantly more information sharing about their programs throughout the community; ensuring they have direct connections to homeless shelters; and in some communities, conducting street outreach.

3. INCREASE RATE (additional information on page 3)

A county may choose to increase their THP-Plus rate in order to ensure that it is keeping pace with increases to the cost of housing. A county may also choose to further increase the rate in order to deepen the level of services provided to youth (e.g. reducing caseloads and providing more intensive case management), or to add additional services (e.g. tutoring). Over FY 2015-16, five programs (20% of programs offering single-site housing) reported that their single-site rate had increased, and ten programs (17% of programs offering scattered-site housing) reported that their scattered-site rate had increased.

4. DEVELOP TIERED RATE STRUCTURE

A county may increase their THP-Plus rate for a subpopulation of youth (i.e. parenting youth, disabled youth, youth with exceptional mental health needs), establishing a tiered rate structure. It costs considerably more to serve youth with higher needs in order to accommodate alternate living arrangements (i.e. single apartments for parenting youth) or address crises that require immediate intervention (i.e. emergency on-call staff to tend to mental health crises, safety concerns, or interruptions in living arrangements). Santa Clara County, for example, utilizes a tiered rate structure for parenting youth, providing \$2,400 per youth per month on behalf of non-parenting youth, and \$2,800 per youth per month on behalf of youth who are custodial parents.

5. SERVE OUT-OF-COUNTY YOUTH

A county may consider serving youth who exited foster care in other jurisdictions. Sometimes youth relocate and do not live in their county of origin (where they exited foster care). Youth may choose to relocate for various reasons, including to attend college, for a job, for safety reasons, or to live in a community where they may have family or social ties. Across the state, at least 34 counties accept out-of-county youth in their THP-Plus programs in some sort of capacity.

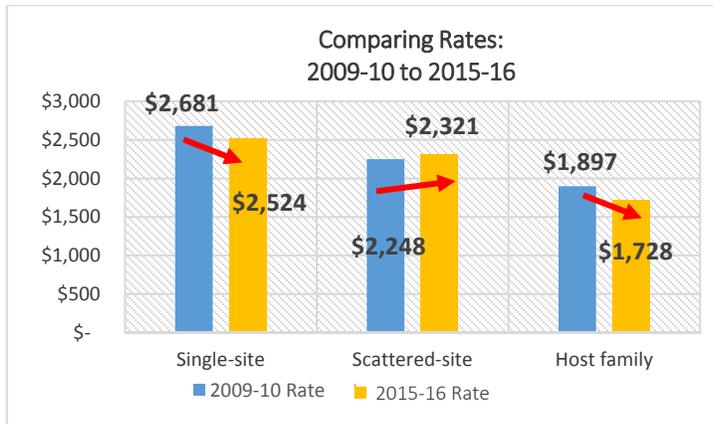
6. OPT INTO THE THP-PLUS EXTENSION FOR YOUTH ENROLLED IN SCHOOL

A county that opts into the THP-Plus extension established by Senate Bill 1252 may serve youth who are enrolled in school for up to 36 months as opposed to 24 months, and up to age 25 as opposed to age 24. Currently, 19 counties have opted into the THP-Plus extension.

Increasing the THP-Plus Rate: Why & How?

Why Increase the Rate?

As the cost of rent has increased phenomenally over recent years, the average THP-Plus rate for the three housing models has either decreased or only slightly increased:



- Providers are struggling to identify housing affordable with existing rates (i.e. waiting lists, some youth being pushed out of the county, some youth living in areas they do not feel safe).
- As providers have to spend more of the rate on the housing subsidy, less is available to go toward the *critical supportive services* that make THP-Plus a program versus a housing voucher.

How Would a County Increase the Rate?

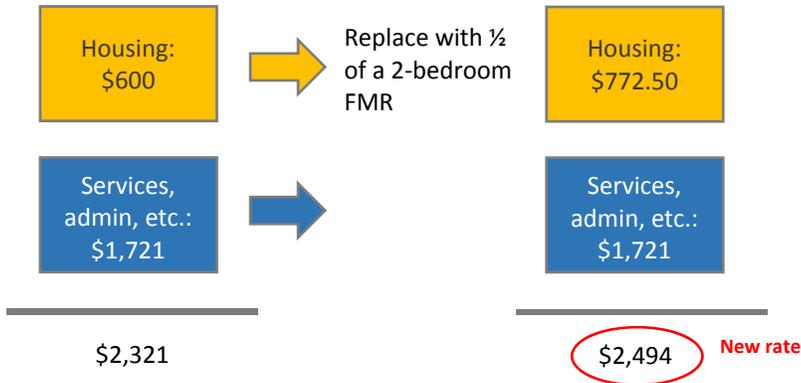
One approach to increase the THP-Plus rate is for the rate to reflect the cost of housing in each county, as measured by the U.S. Department of Housing and Urban Development (HUD)'s [Fair Market Rents](#) (FMRs). Fair Market Rent is the system developed by HUD to determine the allowable rent level for individuals who participate in their Housing Choice Voucher program, commonly known as Section 8. Each year, HUD estimates Fair Market Rent for 530 metropolitan areas and 2,045 nonmetropolitan county areas, including all 58 counties in California. HUD releases new FMRs at the start of each new fiscal year.

For a county that is not spending their full THP-Plus allocation and/or who has not increased their THP-Plus rate in recent years, below is a framework for increasing their rate.

1. Identify your county's 2-bedroom FMR: <https://www.huduser.gov/portal/datasets/fmr.html#2017> - select California and your county.
2. Use **half** of the 2-bedroom FMR for the housing portion of the THP-Plus rate.*

*No set "housing portion" exists in statute, but a working group that developed the **THP+FC** rate based on existing **THP-Plus** rates, determined that an average of \$600 was being designated as the housing portion of the THP-Plus rate. You are replacing this \$600 with half of a 2-bedroom FMR to get your new rate. Half of a 2-bedroom is used because most commonly, THP-Plus participants are housed as roommates in 2-bedroom apartments.

EXAMPLE: County's current rate is \$2,321 and their 2-bedroom FMR is \$1,545.



Status of THP-Plus Rates in California

Of the 48 counties in California that operate a THP-Plus program, 18 counties have an FMR that is higher than the existing housing portion of the THP-Plus rate, meaning that based on this framework, their rate would increase. Thirty counties have an FMR that is lower than or equal to the existing housing portion of the THP-Plus rate, meaning that based on this framework, their rate would not increase.

John Burton Advocates for Youth has listed below the counties whose rates would increase utilizing this framework. The table includes the current rate paid in the county as reported for Fiscal Year 2014-15, and the rate based on Fair Market Rent in that county (as described above), for each of the three service models offered by THP-Plus.

Scattered Site: 73% of THP-Plus beds statewide

County	Reported Rate	Rate based on FMR
Alameda	\$1,977	\$2,464
Contra Costa**	\$2,200	\$2,687
Los Angeles**	\$2,200	\$2,373
Marin	\$3,400	\$4,309
Monterey**	\$2,700	\$2,809
Napa**	\$3,841	\$4,040
Nevada**	\$1,100	\$1,155
Orange**	\$2,500	\$2,807
San Diego**	\$2,815	\$3,086
San Francisco**	\$2,540	\$3,449
San Luis Obispo	\$3,639	\$3,694
San Mateo**	\$2,150	\$3,059
Santa Barbara	\$3,125	\$3,303
Santa Clara**	\$2,400	\$2,910
Santa Cruz**	\$2,411	\$2,725
Solano**	\$3,090	\$3,116
Sonoma	\$2,500	\$2,686

Single Site: 16% of THP-Plus beds statewide

County	Reported Rate	Rate based on FMR
Alameda	\$2,679	\$3,166
Contra Costa**	\$2,500	\$2,987
Los Angeles**	\$2,200	\$2,373
Monterey**	\$2,700	\$2,809
Orange	\$3,698	\$4,005
San Diego**	\$2,815	\$3,086
San Francisco**	\$2,540	\$3,449
San Mateo**	\$2,350	\$3,259

Host Family: 11% of THP-Plus beds statewide

County	Reported Rate	Rate based on FMR
Alameda	\$1,665	\$2,152
Monterey**	\$2,700	\$2,809
Napa**	\$3,841	\$4,040
San Mateo**	\$2,150	\$3,059
Santa Clara	\$2,400	\$2,910
Sonoma	\$2,500	\$2,686
Ventura**	\$500	\$881

** indicates counties that underspent THP-Plus in 2014-15

Should My County Increase its Rate?

A subset of the counties with FMRs that exceed the housing portion of the rate did not spend their full THP-Plus allocation in 2014-15, as indicated by the asterisks above. These counties should first determine whether they are still not spending the full allocation.

Counties that *are not* spending their full THP-Plus allocation should determine whether their rate is sufficient to rent appropriate living units and provide supportive services in their county. If the rate is not sufficient, these counties should consider increasing their current THP-Plus rate to one based on Fair Market Rent as a strategy to increase spending and to promote the long-term viability of their THP-Plus program.

Counties that *are* spending their full THP-Plus allocation may want to consider following questions in regard to increasing their rate:

- Are providers able to rent appropriate living units in this county with the amount at which the current rate is set?
- Has this county increased the THP-Plus rate in recent years?
- In raising the THP-Plus rate, how many youth will this county be able to serve with its THP-Plus allocation?

Counties can find their THP-Plus Realignment allocation in County Fiscal Letter 11/12-18 on page 25 (http://www.cdss.ca.gov/lettersnotices/entres/getinfo/cfl/2011-12/11-12_18.pdf). Historical realignment spending by county can be found in the Annual Realignment Report to the Legislature, Realignment Expenditures Summary (<http://www.cdss.ca.gov/inforesources/Realignment>).

John Burton Advocates for Youth is available for individual follow up for those who would like additional information or direction on re-evaluating their THP-Plus rate. Contact Simone Tureck: simone@jbaforyouth.org.

ⁱ April 2016 Child Welfare Services & Adult Protective Services Realignment Report

ⁱⁱ County Fiscal Letter 11/12-18, page 25

ⁱⁱⁱ THP-Plus Participant Tracking System, Entrance Snapshot Report – participants who entered a THP-Plus program between July 1, 2015 and June 30, 2016

^{iv} THP-Plus Participant Tracking System, Entrance Snapshot Report – participants who entered a THP-Plus program between July 1, 2015 and June 30, 2016