

MOTION BY SUPERVISORS KATHRYN BARGER  
AND LINDSEY P. HORVATH

November 6, 2024

**FOSTER FAMILY AGENCY INSURANCE CRISIS COUNTY IMPLEMENTATION PLAN**

For nearly a century, nonprofit foster family agencies (FFAs) have provided essential services to children and families. In Los Angeles County (County) alone, FFA’s support nearly 1,800 children, offering high-quality, supportive care in family-settings. They directly support the work of the Department of Children and Family Services (DCFS) to keep children safe, ameliorate the effects of system involvement, provide guidance and support to foster parents, and facilitate reunification through a spectrum of services and supports available to families 24/7.

Beginning November 1st, many FFAs across the state, and in the County, will lose their insurance coverage, which will prevent them from providing crucial services to families and children across the state. The potential loss of providers – should this insurance crisis go unresolved – would devastate the continuum of care for our state’s most vulnerable children and families. Since October 1, 2024, of the 26 FFAs that contract with DCFS that are insured by the Nonprofit Insurance Alliance of California (NIAC), one has ceased operations, two are unable to procure coverage due to denials or expense, and fourteen have policies expiring this year. Many of these FFAs also have contracts with the Department of Mental Health to provide mental health services to the foster youth.

On September 24, 2024, the Board passed a motion titled “Foster Family Agency Insurance Crisis Analysis,” which provided the Board of Supervisors a confidential report back from County Counsel on some options that could be implemented to assist foster family agencies contracting with the County providing stable housing and caregivers for youth within the child welfare system. This motion also directed the Chief Executive Office-Legislative Affairs to advocate at the state level for potential fixes that could assist foster family agencies. One such model is the Foster Family Home and Small Family Home Insurance Fund (Fund), offered through the California Department of Social Services. This Fund provides liability insurance coverage for foster parents related to incidents in providing foster care services. The Fund’s liability coverage is to licensed foster family homes, small family homes, and approved resource family homes, and it covers certain valid claims of bodily or personal injury to foster children that occur during the foster care. Looking at both new and existing programs at the state level is just one of several options the County should consider.

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MOTION

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**WE, THEREFORE, MOVE** that the Board of Supervisors direct that the Department of Children and Family Services, in collaboration with the Chief Executive Office and in consultation with County Counsel, to report back in writing in 30 days on available existing one-time budget resources, including the potential for available philanthropic funds, to provide temporary support for contracted Foster Family Agencies (FFAs) impacted by the premium rate increases. The report back should include a proposed plan with an application process for FFAs to be considered for the subsidy that at a minimum sets forth the FFA's efforts to obtain insurance, a detailed statement on the financial impact of the insurance premium to the FFA, details regarding the FFAs loss history, and efforts made by the FFA to secure similar subsidies and/or patch rates from other counties with which the FFA contracts.

**WE, FURTHER, MOVE** that the Board of Supervisors instruct the Chief Executive Office to:

1. Review other local County jurisdictions sexual misconduct insurance requirements and determine how to adjust and align our contract insurance coverage requirements to mirror other jurisdictions; and,
2. Hire an insurance broker to provide a risk financing feasibility study, which will provide an independent assessment that examines multiple aspects of securing and maintaining insurance for FFAs/foster care homes, including technical, economic, financial, and legal considerations. This will help to identify feasible solutions for the County. This risk financing study could identify potential participants other than the County for a pooling agreement, determine potential costs of alternative programs, and explore potential solutions to finance the County's sexual misconduct exposures.

**WE, FURTHER, MOVE** that the Board of Supervisors request CEO- Legislative Affairs to advocate at the State level to:

1. Adjust the rate reform plans at the California Department of Social Services to include amendments reflecting the FFA insurance premium increases; and,
2. Create a state insurer of last resort for some or all of the required types of liability insurance, possibly through expansion or replication of the Foster Family Home and Small Family Home Insurance Fund, offered through the California Department of Social Services.

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