

THP-NMD Housing Supplement Implementation Fact Sheet

Background

Since 2012, the cost of housing has increased nearly three times faster than the rate paid for the Transitional Housing Placement for Non-Minor Dependents (THP-NMD), requiring more of the funding to be used for housing. This has resulted in unintentional harms to youth, including placement far away from their counties of origin, reduction in supportive services, exclusion of special-need populations such as parenting youth, long waiting lists and homelessness. In 2019, the California Department of Social Services (CDSS) led a diverse stakeholder workgroup that endorsed an approach to address this issue: the establishment of a THP-NMD Housing Supplement. Assemblymember Phil Ting championed a budget proposal to establish a THP-NMD Housing Supplement, sponsored by John Burton Advocates for Youth, Children Now, Children’s Law Center and the California Alliance of Child and Family Services. In the FY 2020-21 state budget, \$4 million was included for this proposal.

Overview

Assembly Bill 79, the Human Services Omnibus bill established a Housing Supplement for THP-NMD, which supplements the THP-NMD rate paid to providers on behalf of youth placed in their programs. Housing Supplement amounts vary across eligible counties, based on the cost of housing in that county, according to Fair Market Rent (FMR). The THP-NMD Housing Supplement is being implemented on a phased-in basis across the state, beginning July 1, 2021, and fully implemented by September 1, 2022. CDSS announced the establishment of the Housing Supplement in [All County Letter 20-121](#).

What is Fair Market Rent?

Fair Market Rent (FMR) is the system developed by the U.S. Department of Housing and Urban Development (HUD) to determine the allowable rent level for individuals who participate in their Housing Choice Voucher program. Fair Market Rents include the cost of housing and utilities, apart from phone, cable, and internet. Each year, HUD calculates the Fair Market Rent for 530 metropolitan areas and 2,045 nonmetropolitan county areas, including all 58 counties in California. Learn more about FMR [HERE](#).

How is the Housing Supplement be calculated?

Counties qualify for a Housing Supplement if their FMR is greater than the housing portion (21.45%) of the statewide THP-NMD rate. Below is the methodology for how the Housing Supplement is calculated:



Youth who *are not* custodial parents: The difference between the FMR for one-half of a two-bedroom apartment in the county in which the non-minor dependent resides and 21.45% of the statewide THP-NMD rate.



Youth who *are* custodial parents: The difference between the FMR for a one-bedroom apartment in the county in which the non-minor dependent resides and 21.45% of the statewide THP-NMD rate.

What is the “housing portion” of the THP-NMD rate?

The “housing portion” of the rate is the amount of the monthly THP-NMD rate that is budgeted to pay rent. In 2011-12 when extended foster care was being implemented the housing portion of the rate was \$600, which was 21.45% of the total THP-NMD rate of \$2,797.

As shown above, the Housing Supplement is calculated for youth who *are not* custodial parents based on residing in a *shared two-bedroom* apartment, and for youth who *are* custodial parents based on residing in a *one-bedroom* apartment. Therefore, Housing Supplements for parenting youth are higher than supplements for non-parenting youth.

Which counties are eligible for Housing Supplements?

Because the methodology for calculating the Housing Supplement is tied to FMR and responsive to changes in the housing market, as housing costs increase or decrease in a given county, the Housing Supplement amounts may shift from year to year. The California Department of Social Services announces THP-NMD Housing Supplement amounts in their annual All County Letter (ACL) on California Necessities Index increases to foster care rates. Find annual ACLs [HERE](#).

When did the THP-NMD Housing Supplement become available?

The THP-NMD Housing Supplement became available in counties that utilize the CalWIN payment system on July 1, 2021. The Housing Supplement will be available in the counties that currently utilize the C-IV and LRS payments systems on September 1, 2022, or when CDSS notifies the legislature that the CalSAWS system which C-IV and LRS are migrating to, can perform the necessary automation to implement it. A chart indicating the implementation timeline for counties within each system is captured in the table below.

California Statewide Automated Welfare System (CalSAWS) Migration

The Housing Supplement required automated in the systems used by the counties and state to process foster care payments. Currently there are three different systems used by counties: CalWIN, C-IV and LRS.

These systems are scheduled to migrate into one single system, CalSAWS, with the goal of being operational by September 2022. Because the migration is happening on a phased-in basis, the Housing Supplement is being automated on a phased-in basis, outlined in the table below. Learn more about CalSAWS [HERE](#).

Implementation Timeline for Automation of the THP-NMD Housing Supplement

Payment System	Counties that Utilize	Implementation Timeline
California Work Opportunity & Responsibility to Kids Information Network (CalWIN)	Alameda, Contra Costa, Fresno, Orange, Placer, Sacramento, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Tulare, Ventura, Yolo	Functional July 1, 2021 , or when CDSS notifies the legislature that CalWIN can perform the necessary automation to implement it (prior to migration to CalSAWS)
Consortium IV (C-IV)	Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Plumas, Riverside, San Benito, San Bernardino, San Joaquin, Shasta, Sierra, Siskiyou, Stanislaus, Sutter, Tehama, Trinity, Tuolumne, Yuba	Functional September 1, 2022 , or when CDSS notifies the legislature that CalSAWS can perform the necessary automation to implement it (post migration to CalSAWS)
LEADER Replacement System (LRS)	Los Angeles	Functional September 1, 2022 , or when CDSS notifies the legislature that CalSAWS can perform the necessary automation to implement it (post migration to CalSAWS)