

AGENDA
ASSEMBLY BUDGET SUBCOMMITTEE NO. 1
ON HEALTH AND HUMAN SERVICES
AND
ASSEMBLY HUMAN SERVICES COMMITTEE

ASSEMBLYMEMBER JUDY CHU, CHAIR
ASSEMBLYMEMBER LOIS WOLK, CHAIR

WEDNESDAY, APRIL 2, 2003
STATE CAPITOL, ROOM 444
1:30 P.M.

ITEMS TO BE HEARD

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ITEM 5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE #1: EXPEDITED PERMANENCY PLACEMENT

The Subcommittee will consider the policy implications of a shorter permanency placement timeline.

BACKGROUND:

In 1997, the federal government passed the Adoptions and Safe Families Act (AFSA). AFSA emphasized child safety over keeping families together and provided financial incentives for states to promote permanency planning and adoption.

In response, the Legislature passed AB 2773 (Aroner) which implemented the provisions of AFSA in the State. AB 2773 shortened the timeframe for reunification services a family could receive. Specifically, AB 2773 permitted a family to receive family reunification services for only 12 months before the court had to decide whether a child should be returned to a parent or guardian. The court also had the option to continue the case for an additional 6 months only if it believed that the child would be returned to the custody of the parent or guardian and safely maintained in the home within the extended time period.

COMMENTS:

Both AFSA and AB 2773 emphasized keeping children safe over keeping families together. Specifically, the legislation attempted to shorten the time a child was in foster care by reducing the length of time that a family could attempt reunification.

Many practitioners in the counties and the courts disagree with these shortened timeframes for reunification. They argue that a 12-18 month reunification limit does not always serve the best interests of the child, if the family could be reunified with additional months of services. In some cases, courts have felt that the parents deserved more time to get their children back and have refused to terminate parental rights after 18 months of reunification.

Later in this agenda, the Subcommittee will consider the State's performance in the federal review of its child welfare, foster care, and adoption programs. However, it is important to realize that some of these measures reflect the State's compliance with AFSA's policy priorities rather than the quality of the State's child welfare system.

ISSUE #2: FEDERAL REVIEW BACKGROUND

The Subcommittee will begin an in-depth discussion of the federal review of State's child welfare, foster care, and adoptions programs.

BACKGROUND:

In the mid-1990's, a package of new federal legislation made sweeping changes to state child welfare services (CWS) and foster care programs. The principles of these reforms were to achieve child safety, permanency, and well-being. One significant requirement was that the federal Department of Health and Human Services develop a set of outcome measures and overhaul the state performance review processes in the CWS and foster care programs. Toward that end, the federal government developed the Child and Family Service Reviews (CFSR), which it has been conducted for the last two years. The reviews include seven measures for safety, well-being, and permanency. They also cover seven systemic measures that examine training for foster parents and caseworkers, the status of the statewide data system, the quality assurance process, and the state's case review system.

Of the 28 states reviewed in 2001 and 2002, none have "passed" all components evaluated during the reviews. California, along with nine other states, failed all seven safety, well-being, and permanency outcomes. Of the seven systemic measures, California is the only state that has failed more than four.

While the new federal review process establishes fiscal penalties, states will not be immediately assessed a penalty upon failing the review. Before the assessment of a penalty, states will have the opportunity to submit program improvement plans (PIPs) designed to move them toward meeting the federal outcome measures. Each state has 90 days in which to submit a plan following the release of its final federal report. With a goal of continued quality improvement, states whose performances remain below the national standard in subsequent reviews will be required to establish new benchmarks of improvement, moving those states closer toward the attainment of the national standard. As long as states continue to meet their agreed upon benchmarks, the penalties will be held in abeyance.

In 2000, the Administration established the Child Welfare Stakeholders Group. The charge to this group is to examine California's child welfare services programs, processes and outcomes, recommending changes necessary to achieve goals. The Department issued a progress report in June, 2001, outlining the activities of the Stakeholders Group. This group found that new service approaches are needed, in the context of dramatic and pervasive change to the system. The report identifies the values of a redesigned system, and practice concepts that will support change to the system. These include such proposals as emphasizing investments in prevention and early intervention, varying responses to meet the needs of the child and family, coordinating the responses of public and private agencies, and using available funds flexibly. The outcome of this Stakeholders Group effort will help the State construct its PIP.

COMMENTS:

The upcoming issues on the agenda will review California's performance on all fourteen of the performance and outcome measurements. The Department of Social Services can then address how its proposed PIP will help the State reach compliance in each of these areas.

The federal government sampled only 50 cases statewide to calculate the State's performance in each of the outcome measurements. There has been some concern that as a result the measurements don't accurately depict the State's level of performance in each of these areas. In the discussion of each outcome measurement, comparisons to the State's own assessments provided by UC Berkeley are provided.

ISSUE #3: OUTCOME GOAL: RECURRENCE OF MALTREATMENT

The State failed the recurrence of maltreatment federal review goal.

BACKGROUND:

Like the other 23 states that have been reviewed, California did not meet the national outcome standard for the recurrence of maltreatment.

The recurrence of maltreatment standard measures the percentage of children who were victims of more than one substantiated or indicated child abuse and/or neglect report within the first six months of the reporting period.

The table below details the State's performance compared to the national standard:

Source	Percentage of children with a recurrence of maltreatment
National Standard	6.1 %
Federal data for California	10.7%
UC Berkeley for California	10.9%

The federal government has set a minimum improvement requirement for this measurement. Specifically, the State must reduce its recurrence of maltreatment percentage by **0.9 %** to **9.8%** within one year of the federal approval of California's PIP.

COMMENTS:

The State's UC Berkeley data suggests that the federal review's findings were close to the actual percentage in the State.

So far, 23 other states have also failed this measurement.

Making a finding of substantiated child abuse does not automatically lead to a child being placed in protective custody. Removing a child from a family is only one of many intervention strategies available to social workers. Most (92%) of all reported child abuse results in the child and family being diverted from the CWS system, and is a reflection of the policy goal of keeping children with their own families safely. Thus, the recurrence of maltreatment measure may reflect the policy choice of making greater efforts to keep children with families and tolerate some risk of future abuse. Bringing more children into the CWS system sooner and avoiding the risk of future abuse may lower this recurrence measure, but may not be the preferable policy choice.

ITEM 5180 DEPARTMENT OF SOCIAL SERVICES**ISSUE #4: OUTCOME GOAL: INCIDENCE OF CHILD ABUSE OR NEGLECT IN FOSTER CARE**

The State failed the incidence of child abuse or neglect in foster care federal review goal.

BACKGROUND:

Like the other 23 states that have been reviewed, California did not meet the national outcome standard for the incidence of child abuse or neglect in foster care.

The incidence of child abuse or neglect in foster care measures the percentage of children who were subject of substantiated or indicated maltreatment by a foster parent or facility staff.

The table below details the State's performance compared to the national standard:

Source	Percentage of foster children with an incident of child abuse or neglect
National Standard	0.57 %
DSS data for California	0.67%

When the initial data for the review was calculated, the data suggested that the State had a 1.06 percent incidence of abuse in foster care. Based upon that standard the federal government set a minimum improvement requirement for this measurement. Specifically, the State must reduce its foster care incidence of child abuse or neglect percentage by **0.1439 %** to **0.92%** within one year of the approval of the State PIP. However, the data for the outcome measurement has been updated to show that the State's percentage is .67 percent, very close to the national standard.

COMMENTS:

So far, 23 other states have also failed this measurement.

The data evaluated for this measurement reflects only the occurrence of abuse in foster family homes. In response to feedback for the federal review, the CWS/CMS computer system began collecting abuse allegation data for group homes and foster family agencies in January. Before this change, counties would investigate these allegations but the State did not collect statewide data.

ITEM 5180 DEPARTMENT OF SOCIAL SERVICES**ISSUE #5: OUTCOME GOAL: FOSTER CARE RE-ENTRIES**

The State failed the foster care re-entry federal review goal.

BACKGROUND:

Like the other 23 states that have been reviewed, California did not meet the national outcome standard for foster care re-entries.

The foster care re-entry standard measures the percentage of children who re-entered foster care during a 12 month period.

The table below details the State's performance compared to the national standard:

Source	Percentage of children re-entering foster care
National Standard	8.7 %
Federal data for California	10.7%
UC Berkeley for California	9.3%

The federal government has set a minimum improvement requirement for this measurement. Specifically, the State must reduce its foster care re-entry percentage by **1.35 %** to **9.4%** within two years of the approval of the State PIP.

COMMENTS:

This foster care re-entry measure may reflect the policy choice of returning a child to their family sooner and tolerating greater risk of future abuse, or allowing a family to take more time in making changes and consequently keeping a child separated from the family longer. This measure could be reduced by requiring families to spend more time in reunification services, but the harmful effects of keeping a child separated from their family for longer periods may not be the preferable policy choice.

So far, 23 other states have also failed this measurement.

ITEM 5180 DEPARTMENT OF SOCIAL SERVICES**ISSUE #6: OUTCOME GOAL: STABILITY OF FOSTER CARE PLACEMENTS**

The State failed the stability of foster care placements a federal review goal.

BACKGROUND:

Like the other 23 states that have been reviewed, California did not meet the national outcome standard for stability of foster care placement. The stability of foster care placement standard measures the percentage of children in foster care that had no more than two or more placements.

The table below details the State's performance compared to the national standard:

Source	Percentage of children with less than two placements in foster care
National Standard	86.7 %
Federal data for California	77.8%
UC Berkeley for California	82.9%

The federal government has set a minimum improvement requirement for this measurement. Specifically, the State must increase its stability of foster care placement percentage by **1.9 %** to **79.7%** within two years of the approval of the State PIP.

COMMENTS:

So far, 23 other states have also failed this measurement.

ITEM 5180 DEPARTMENT OF SOCIAL SERVICES**ISSUE #7: OUTCOME GOAL: LENGTH OF TIME TO ACHIEVE REUNIFICATION**

The State failed the federal review length of time to achieve reunification goal.

BACKGROUND:

Like the other 23 states that have been reviewed, California did not meet the national outcome standard review length of time to achieve reunification. The length of time to achieve reunification standard measures the percentage of reunification case that were reunified with their parents or caretakers within 12 months.

Federal and state policies generally view foster care as a temporary, rather than a long-term, solution when children are removed from an abusive or neglectful home. Generally, the goal is to reunify the child and family as soon as is reasonably possible.

The table below details the State's performance compared to the national standard:

Source	Percent of children reunified in less than 12 months
National Standard	76.2 %
Federal data for California	53.2%
UC Berkeley for California	53.7%

The federal government has set a minimum improvement requirement for this measurement. Specifically, the State must increase its length of time to achieve reunification percentage by **2.42 % to 55.6%** within two years of the approval of the State PIP.

COMMENTS:

So far, 23 other states have also failed this measurement.

Taken by itself, this reunification measure may reflect a policy choice of keeping families in reunification services longer to ensure greater confidence in the safety of returning a child to their home. Comparing this measure with the foster care re-entry measure addressed in Issue #4, however, suggests that California is providing reunification services longer with less efficacy. These measures may be a reflection of the problems with the CWS system identified in the SB 2030 survey and the CWS Stakeholders Group.

One issue that has received some attention in the Stakeholders Group is the different threshold of a child being brought into the dependency system, and a child being returned to their home. It has been noted that children are taken into custody when the family functions at a particular level, but is returned only when the family functions at a much higher level. This raises the policy issue of whether a child should be returned when their family reaches the entry level of functioning or when they reach a higher level. This question hinges on the will to tolerate different levels of risk of future abuse.

ITEM 5180 DEPARTMENT OF SOCIAL SERVICES**ISSUE #8: OUTCOME GOAL: LENGTH OF TIME TO ACHIEVE AN ADOPTION**

The State failed the federal review length of time to achieve an adoption goal.

BACKGROUND:

Like the other 23 states that have been reviewed, California did not meet the national outcome standard review length of time to achieve an adoption. The length of time to achieve adoptions standard measures the percentage of children that were adopted 24 months from the latest removal from the home.

Federal and state policies generally view foster care as a temporary, rather than a long-term, solution when children are removed from an abusive or neglectful home. Generally, the goal is to place a child that is not going to reunify with their parents or caretakers into an adoption as soon as possible

The table below details the State's performance compared to the national standard:

Source	Percent of children adopted in less than 24 months
National Standard	32.0 %
Federal data for California	18.0%
UC Berkeley for California	16.4%

The federal government has set a minimum improvement requirement for this measurement. Specifically, the State must increase its length of time to achieve an adoption percentage by **2.9 % to 20.9%** within two years of the approval of the State PIP.

COMMENTS:

So far, 23 other states have also failed this measurement.

Although the State's performance in this outcome measurement suggests that the State's adoption program is weak; on the whole, California is considered to have an effective adoption system. T

Last year, the LAO attempted to predict the State's performance in meeting the federal standards using 1998 data. The LAO's analysis concluded that the State would have met this measurement in that year, which illustrates that the State experienced success in placing children in adoptions.

ITEM 5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE #9: SYSTEMATIC FACTORS: STATEWIDE INFORMATION SYSTEM AND AGENCY RESPONSIVENESS TO THE COMMUNITY

The State conforms to federal systematic factor requirements for the statewide information system and responsiveness to the community.

BACKGROUND:

In addition to the outcome measurements discussed earlier in the agenda, the State was also evaluated on seven systematic factors that impact the quality of services provided to children and families. These systematic factors were evaluated based upon interviews with children, staff, providers, and other stakeholders

The State was found to be in compliance with two of these seven systematic factors, "Statewide Information System" and "Agency Responsiveness to the Community".

The State was found to be in compliance with the federal requirements for a statewide information system. The federal government found that the State's CWS/CMS system can readily identify the status, demographic characteristics, location, and goals for placement for every child in foster care.

The Department of Social Service's responsiveness to the community was also rated by the federal review as strength. The review noted that the State engages in ongoing consultation with tribal representatives, consumers, service providers, foster care providers, the juvenile court, and other public and private agencies.

COMMENTS:

Meeting the federal standard for statewide information systems is worth recognition. The CWS/CMS system is one of the largest and most comprehensive computer systems in the world.

5180 DEPARTMENT OF SOCIAL SERVICES**ISSUE #10: SYSTEMATIC FACTOR: CASE REVIEW SYSTEM AND SERVICE ARRAY**

The State did not conform to federal systematic factor requirements for case review system and services array.

BACKGROUND:

In addition to the outcome measurements discussed earlier in the agenda, the State was also evaluated on seven systematic factors that impact the quality of services provided to children and families. These systematic factors were evaluated based upon interviews with children, staff, providers, and other stakeholders.

While the State was found to be out of compliance for both the "Case Review System" and the "Service Array" factors, the federal review noted both strengths and weaknesses for each of these factors.

For the Case Review System factor, the federal review found that the State provided periodic status reviews for each child and had a process that ensured that each child in foster care had a permanency hearing within 12 months of entering child care. However, the State was rated out of compliance because the review found that the State did not have a statewide protocol to develop case plans with a child's parents and did not consistently seek and document termination of parental rights as mandated by federal law.

For the Service Array factor, the federal review found that the State has a strong array of services that identify and meet the needs of children and families in the foster care and adoption systems. However, the State was found to be out of compliance because the service array was not accessible to children and families in all counties and the State did not have individualized services for Native American children and youth.

COMMENTS:

The federal review also noted that the State might not be meeting federal guidelines for the termination of parental rights because courts and county agencies are reluctant to terminate parental rights until an adoption is imminent for the child.

The Governor's Budget proposes to realign all non-federal costs for Child Welfare Services and Foster Care to counties. The Subcommittee may wish to explore how the realignment proposal could impact the statewide availability of the service array.

ITEM 5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE #11: SYSTEMATIC FACTOR: QUALITY ASSURANCE SYSTEM

The State did not conform to federal systematic factor requirements for its quality assurance system.

BACKGROUND:

In addition to the outcome measurements discussed earlier in the agenda, the State was also evaluated on seven systematic factors that impact the quality of services provided to children and families. These systematic factors were evaluated based upon interviews with children, staff, providers, and other stakeholders.

The State was found to be out of compliance with the "Quality Assurance System" factor. The review noted that the State has established standards to protect the safety and health of children. In addition, the review pointed out that the State had mechanisms to assure that these standards were met. However, the State was found out of compliance because the State does not measure the effectiveness and quality of services delivered in the State.

COMMENTS:

Prior to the release of the federal review, policymakers in the Administration and Legislature recognized the need for improvement in the State's Quality Assurance System. In 2001, the Legislature passed AB 636 (Steinberg). This bill requires DSS to convene a working group to establish improved county-level outcome and accountability measurements as part of a compliance review system. The State will soon begin transitioning to this new compliance review system.

ITEM 5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE #12: SYSTEMATIC FACTOR: TRAINING AND FOSTER AND ADOPTIVE PARENT LICENSING, RECRUITMENT, AND RETENTION

The State did not conform to federal systematic factor requirements for Training and Foster Parent Licensing, Recruitment, and Retention.

BACKGROUND:

In addition to the outcome measurements discussed earlier in the agenda, the State was also evaluated on seven systematic factors that impact the quality of services provided to children and families. These systematic factors were evaluated based upon interviews with children, staff, providers, and other stakeholders.

The federal review found many problems with the State's training programs. The review noted that the State does not have consistent initial and ongoing training for county staff. In addition, the State does not have consistent training for foster parents and group home staff. Finally, most counties do not provide more than the minimum requirement for foster parent training (12 hours initial training and 8 hours ongoing training).

The State's foster and adoptive parent licensing, recruitment, and retention performance was mixed. The federal review recognized that the State had established standards for the licensing of foster family homes and child care institutions. However, the State was found out of compliance because these standards were not applied consistently across the State and not all standards were being applied to all foster family homes. In addition, the review found that the State did not diligently recruit potential foster and adoptive families that reflect the race and ethnicity diversity of the children in care.

The federal review also noted that the State had a strong criminal background check process for the approval of foster care and adoptive placements. Finally, the review recognized that the State has effective policies to encourage cross-jurisdictional placements.

COMMENTS:

The federal review noted that the State has developed a core curriculum for staff training, but has not implemented it.

The Governor's Budget proposes to eliminate the Foster Parent Training Fund (discussed in the next issue). The proposed reduction would eliminate a substantial amount of funding available for foster parent training activities.

ITEM 5180 DEPARTMENT OF SOCIAL SERVICES
ITEM 5175 DEPARTMENT OF CHILD SUPPORT SERVICES
ITEM 6870 CALIFORNIA COMMUNITY COLLEGES

ISSUE #13: FOSTER PARENT TRAINING FUND

The Subcommittee will discuss the proposed elimination of the Foster Parent Training Fund.

BACKGROUND:

The December Revision proposes trailer bill language that would eliminate the State Foster Parent Training Fund. About \$2.5 million in Budget Year savings are reflected as a result of this proposal. The Foster Parent Training Fund will generate about \$3.7 million in collections in the current year.

The State recoups the costs of providing some child welfare and foster care services to families through child support collections, these funds are transferred to the Foster Parent Training Fund. The proceeds from this fund are used to provide training to potential foster parents through the community colleges.

The Foster Parent Training Fund accounts for over two-thirds of the funding available Statewide for the training of foster parents. If the proposed language is accepted, the State may lose the capacity to train sufficient numbers of foster care parents to meet the current need. As a result, more children will need to be placed in more expensive Foster Family Agencies and Group Home placements.

The table below details the impact of eliminating the foster parent training fund upon the overall level of foster parent training:

Funding Source	Estimated	Proposed
	FY 2002-2003 (thousands)	FY 2003-2004 (thousands)
Foster Parent Training Fund	\$ 2,967	\$ -
Proposition 98 Funds	\$ 1,866	\$ 1,798
Federal IV-E Funds	\$ 6,813	\$ 2,383
Total Foster Parent Training	\$ 11,646	\$ 4,181

COMMENTS:

In addition to the Foster Parent Training Fund, the Department of Social Services' budget includes \$3.6 million for foster parent training and recruitment.

The Subcommittee took no action on this proposal in the current year process.

ITEM 5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE #14: ELIMINATION OF THE INDEPENDENT ADOPTIONS PROGRAM

The Subcommittee will consider a December Revise proposal to eliminate the Independent Adoptions program.

BACKGROUND:

The Governor's Budget proposes to eliminate the Independent Adoptions program for a savings of \$2.8 million General Fund and 36.4 PYs in the Budget Year.

There are two types of adoptions, an agency adoption and an independent adoption. In an agency adoption, the child is placed for adoption by a licensed county or private adoption agency or by DSS. In an independent adoption it is the birth parent's decision and responsibility to choose the adoptive parents and to place the child directly with the adoptive parents.

Currently DSS provides home studies for independent adoptions through the Independent Adoption program. A home study evaluates the ability of a potential adoptive parent to care for the adoptive child. The evaluation is based on a review of medical, criminal, social, emotional and employment history as well as an assessment of the home environment. The State does not pay for agency adoption home studies.

The proposed elimination of the Independent Adoptions program would eliminate the State funded home studies. Families seeking an independent adoption would have to pay an adoption agency to perform the home study.

DSS estimates that each home study costs the State \$3,100.

COMMENTS:

The proposed elimination of the Independent Adoptions program would not eliminate the State's Adoption Assistance Program, which provides financial assistance for families adopting children in foster care.

Adoption lawyers have commented that the State's Independent Adoption program encourages families to seek adoptions by defraying some of the costs. According to the lawyers, Agency Adoption cost substantially more than Independent Adoptions. In addition, the adoption lawyers are concerned if the proposed program elimination occurs, families in some parts of the State may lose the ability to adopt because there is no agency that will serve them.

ITEM 5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE #15: SB 2030 (COSTA) UPDATE

The Subcommittee will discuss the State's ability to meet its own caseload standards.

BACKGROUND:

SB 2030 (Costa) Chapter 785, Statutes of 1998 required DSS to evaluate workload and budgeting methodology to understand routine child welfare staff activities, the time needed to complete mandated services, and the estimated time needed for what is considered best practice in child welfare.

In 2000, the 500-page SB 2030 study was released. The study found that the current staffing levels for child welfare services were not adequate to meet the current statewide standards. In FY 2000-2001 DSS estimated that it would need to spend approximately \$1.477 billion to fully fund the SB 2030 staffing levels, \$315 million more than the \$1.162 billion provided in the budget for that year.

Since the study was released, the addition of some resources for child welfare services has slightly narrowed the gap between the budgeted amount and the SB 2030 standard. In the budget year, DSS estimates that the State would need to spend approximately \$1.596 billion to fully fund the SB 2030 staffing levels, \$277 million more than the \$1.318 billion budgeted in the budget year.

COMMENTS:

Last year, the Governor line item vetoed \$49.5 million in General Funds for Child Welfare Services in the budget.

ITEM 5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE #16: FUNDING FOR CHILD WELFARE SERVICES

The LAO Analysis contains a recommendation to reduce Child Welfare Services.

BACKGROUND:

In preparing the budget for CWS, the Department of Social Services (DSS) adjusts proposed funding upward when the caseload increases, but does not adjust funding downward when the caseload actually decreases. The practice of not adjusting the budget to reflect caseload decline is known as the "hold harmless" approach.

The LAO recommends that the Legislature maintain Child Welfare Services case-management funding per child at its 2002-03 level. This would result in a General Fund savings of \$11 million in the budget year while not reducing the level of care and service provided to the children and families in the child welfare system in the budget year.

COMMENTS:

LAO has pointed out that one consequence of the "hold harmless approach" is that counties with declining caseloads end up with more resources per capita than other counties with a flat caseload. This may lead to an inequity in services between counties.

5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE #17: GROUP HOME AFFILIATED LEASES

The Subcommittee will discuss budget proposal for group home affiliated leases.

BACKGROUND:

The Governor's Budget proposes to eliminate group home affiliated lease reimbursement for a budget year saving of \$150,000 (\$75,000 General Fund).

Currently, DSS reimburses the Department of Justice (DOJ) for its costs of reviewing "affiliated" leases entered into by group homes that provide foster care. Affiliated leases, more accurately known as self-dealing leases, are leases of property to a group home by persons who also serve on the group home's board of directors.

In lieu of DSS funding, group homes with an affiliated lease would directly reimburse DOJ for their review.

COMMENTS:

DOJ strongly opposes the proposal to transfer the costs of the lease review process to the group homes. It feels as if the proposal would turn the DOJ into a collection agency.

DOJ opposes funding group home lease review out of its own budget.

DOJ suggests that one of two actions be taken:

- 1 That the money necessary to fund DOJ review of self-dealing group home leases be placed in the DSS budget.
- 2 That section 11462.06 of the Welfare and Institutions Code be amended to delete the requirement of DOJ review of affiliated group home leases as part of the DSS rate-setting process. This latter alternative would leave oversight of self-dealing group home leases to DSS, just as DSS oversees other group home expenditures.

ITEM 5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE #18: GROUP HOME AUDIT FINDINGS

The Subcommittee will discuss the policy implications of recent reports of financial abuse by group homes.

BACKGROUND:

Recent press coverage has highlighted some serious financial abuse by a Fresno County group home.

On March 2, 2003, the *Fresno Bee* reported that the Fresno County District Attorney's Offices had conducted a 13-month embezzlement investigation of Genesis Inc. The investigation alleges that Genesis employees used government funds to pay for clothes, home furnishings, gym memberships and golf green fees.

COMMENTS:

In some cases, Group Homes provide instruction for youth in their care that cannot attend school. Some youth have commented that in their experience, funding for these services are sometimes diverted for other expenses. As a result, the California Youth Connection has sponsored legislation to improve the quality of education for children in foster care.

ITEM 5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE #19: OTHER DEPARTMENTAL BUDGET PROPOSALS

The Subcommittee will considered three budget change proposals for the Department of Social Services.

BACKGROUND:

The January budget includes the following three budget change proposals:

- **Reduce Permanency Adoptions Bureau** The Budget reduces 5 PYs in the Budget Year for a savings of \$339,000 (\$139,000 General Fund) in the Department of Social Service. The Department would reduce program staff in the Children and Families policy area to achieve these savings
- **Foster Care Ombudsman** This proposal would make four limited-term positions permanent for the Foster Care Ombudsman program. The Foster Care Ombudsman promotes the safety and delivery of appropriate services to foster youth and to safeguard children's rights.
- **Teen and Family Support** This proposal would make three limited-term positions for the Teen and Family Support program permanent. The three positions develop CalWORKs policies for teen parents.

COMMENTS:

The Subcommittee may consider placing these proposals on a future consent calendar.