

**AGENDA  
SUBCOMMITTEE No. 1  
ON HEALTH AND HUMAN SERVICES**

**ASSEMBLYMEMBER JERRY HILL, CHAIR**

**WEDNESDAY, APRIL 1, 2009  
STATE CAPITOL, ROOM 4202  
(PLEASE NOTE THE ROOM CHANGE)  
1:30 P.M.**

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>PAGE</b>
<b>PROPOSED CONSENT CALENDAR</b>		
<b>5180</b>	<b>DEPARTMENT OF SOCIAL SERVICES</b>	<b>3</b>
Issue 1	Administrator Certification Program Feasibility Study and Fraud Prevention	3
Issue 2	Conlan v. Shewry (Conlan II) Court Order BCP	3
Issue 3	KinGAP Dual Agency Trailer Bill	3
<b>ITEMS TO BE HEARD</b>		
<b>5180</b>	<b>DEPARTMENT OF SOCIAL SERVICES</b>	<b>4</b>
Issue 1	Child Welfare Services Funding – Overview and County Considerations	4
Issue 2	Data Tracking on Foster Care and Psychotropic Medications	7
Issue 3	Additional Flexibility for Nonprovision Foster Care Fiscal Audits Trailer Bill	8
Issue 4	Improving Child Safety BCP	9
Issue 5	Title IV-E Child Welfare Waiver Demonstration “Capped Allocation” Project (CAP) BCP	10
Issue 6	Chafee Federal National Youth in Transition Database BCP	11
Issue 7	Group Home Classification Rate Relief TBL	11
Issue 8	In-Home Supportive Services Program – Overview	13
Issue 9	IHSS – Quality Assurance	14

Issue 10	IHSS – County Funding and Reassessments	16
Issue 11	IHSS – Provider Enrollment Form Changes	18
Issue 12	Adult Protective Services – Status Update	20
Issue 13	SSI/SSP – Budget Overview and Implementation Update	21
Issue 14	Community Care Licensing – Program Overview and Backlog Update	22
Issue 15	Licensing Client Protections BCP	24
Issue 16	Relocation of the Disability Determination Service Division – Los Angeles Branch BCP	27

## **PROPOSED CONSENT CALENDAR**

### **5180 DEPARTMENT OF SOCIAL SERVICES**

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#### **ISSUE 1: ADMINISTRATOR CERTIFICATION PROGRAM FEASIBILITY STUDY AND FRAUD PREVENTION**

DSS requests staffing resources for the Community Care Licensing Division (CCLD) Technical Assistance and Policy Branch, Administrator Certification Program to enhance the ability of the CCLD to ensure that licensed facilities are operated by trained and certified administrators. The request is for four positions for a cost of \$341,000 to be funded by the Certification Fund.

**Staff Recommendation:**

Staff sees no issues with this proposal and recommends approval.

#### **ISSUE 2: CONLAN V. SHEWRY (CONLAN II) COURT ORDER BCP**

DSS requests a two-year extension of the existing (1.0) limited-term Staff Services Manager I position which expires in June 2009. DSS states that the position is necessary in order to meet the provisions of the Conlan II court order and avoid further litigation. The position will provide ongoing policy refinement, claims processing procedures, technical assistance to counties, coordination with Department of Health Care Services (DHCS) and ensuring correct claim determinations and accurate payment for any approved claims. The cost of the position is \$128,000 (\$64,000 General Fund).

**Staff Recommendation:**

Staff sees no issues with this proposal and recommends approval.

#### **ISSUE 3: KINGAP DUAL AGENCY TRAILER BILL**

The Administration has proposed trailer bill to amend the Kinship Guardianship Assistance Payment Program (KinGAP) statute to allow children receiving Aid to Families with Dependent Children-Foster Care (AFDC-FC) rate while in foster care to be eligible for that rate when the children transition into the KinGAP program. The rate paid under KinGAP for children who are regional center clients will be paid by the state and counties in the same ratio as currently paid under the KinGAP program. Under the proposed statute change, children currently in KinGAP who are regional center clients would be eligible for the dual agency rate retroactive to July 1, 2007.

**Staff Recommendation:**

Staff sees no issues with this proposal and recommends approval.

## **ITEMS TO BE HEARD**

### **5180 DEPARTMENT OF SOCIAL SERVICES**

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#### **ISSUE 1: CHILD WELFARE SERVICES FUNDING – OVERVIEW AND COUNTY CONSIDERATIONS**

California's state-supervised, county-administered Child Welfare Services (CWS) program provides services to abused and neglected children, children in foster care, and their families. The CWS program provides (1) immediate social worker response to allegations of child abuse and neglect; (2) ongoing services to children and their families who have been identified as victims, or potential victims, of abuse and neglect; and (3) services to children in foster care who have been temporarily or permanently removed from their family because of abuse or neglect.

The January 2008 Governor's Budget included a proposal to reduce CWS allocations, excluding automation, Adoptions, and Child Abuse Prevention, to counties by 11.4 percent. This proposal was rejected by the Legislature. The Administration did not propose any additional cuts to child welfare or foster care for the 2009-10 budget and no reductions were adopted in the 17-month package.

#### **CFSR AND PIP**

In 2002, the federal Administration for Children and Families (ACF) conducted its first performance review, the Federal Child and Family Services Review (CFSR), of California's child welfare system. California passed two of the seven systemic factors and failed all seven of the outcome measures pertaining to child safety, well-being, and permanency. ACF performed another review concluding in 2007 and the state again failed the outcome measures.

As a result of the CSFR, the State and federal governments are currently negotiating a final Program Improvement Plan (PIP). Failure to meet improvement goals thus far resulted in a federal penalty of \$8.9 million in the first round of reviews, and in this second round of reviews, the federal penalty could under the worst-case scenario exceed \$107 million. The state faces the possibility of additional federal penalties due to noncompliance in the area of monthly social worker visits.

#### **COUNTY CONSIDERATIONS AND UNDERFUNDING**

The static level of funding for CWS is not an indicator of the system's wholeness, as current funding does not accommodate the continuing and increased needs in the system at the county level. The County Welfare Directors Association (CWDA) states

that while it supports the Administration's efforts to increase family engagement and case planning, relative search and engagement, and monthly social worker visits, it proposes funding support for these new initiatives given the lack of resources at the county level.

CWDA contends that the child welfare system is already critically underfunded, and the proposed investments are long overdue. The current budgeting methodology for the program uses social worker caseload standards not updated since 1984. A workload study was mandated by SB 2030 (Costa, Statutes of 1998) and its findings, published in 2000, found that child welfare workload far exceeded available resources. For example, on average, county social workers oversee 30 to 55 children, much higher than the recommended 10 to 15. The study provided recommendations for achieving minimal and optimal workload standards to ensure children and families are served effectively.

Nine years after completion of the workload study, the budgeting standard for the program has remained unchanged, while workload continues to increase. This funding shortfall is compounded by the fact the state has failed to fund the actual costs of operating this program since 2000-01, resulting in a loss of \$486.4 million (\$206.9 million General Fund) annually. Counties have partially bridged this funding gap by investing significant amounts of local dollars into the program, overmatching the state's contribution by more than \$150 million a year. However, counties contend that they no longer have the capacity to backfill for such severe shortfalls in the state's allocation. Local revenues have dropped, and many counties are scaling back their levels of overmatch to maintain existing program operations. Counties are having difficulty maintaining the current level of funding, let alone increasing it to make up for the additional activities that will require a county match.

CWDA states that the fiscal burden of the new obligations totals \$6.5 million and requests consideration of state support for this new cost.

#### **OUTSTANDING REPORT**

Senate Bill (SB) 84 Report: Dual Agency Report. In response to the Subcommittee's inquiry on outstanding reports, DSS has noted that SB 84 (Chapter 177, Statutes of 2007, Section 30.7) required CDSS to submit a report to the Legislature on the number of, and services provided to, children who are customers of regional centers and are receiving Adoption Assistance Program (AAP) or Aid to Families with Dependent Children-Foster Care(AFDC-FC) benefits; a comparison of these services and services provided to similar regional center consumers who are not receiving AAP or AFDC-FC, and various data related to appeals and the number and levels of supplements. The report is currently under review by the Administration.

**PANEL**

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Frank Mecca, County Welfare Directors Association
- Public Comment

**Questions:**

- LAO, can you briefly provide an update on where the state stands in meeting the SB 2030 workload standards?
- Department, please comment briefly on the status of the PIP development.
- Department, how is the state supporting county efforts toward compliance with the new initiatives associated with the response to the CFSR and the pending PIP?
- Counties, how will counties respond if no further allocation is made to accommodate the new initiatives and what liability exists for counties?

**Staff Recommendation:**

No action required at this time.

**ISSUE 2: DATA TRACKING ON FOSTER CARE AND PSYCHOTROPIC MEDICATIONS**

The Subcommittee requested information on the tracking of foster children taking psychotropic medications and is in receipt of information that the Department provided in response. Staff is continuing to review this as this agenda nears completion.

The Department stated that it and the counties continue to assess the need for additional information in both the existing CWS/CMS and the CWS/Web. The current system (CWS/CMS) includes data elements that identify children receiving psychotropic drugs. CWS/CMS also includes narrative fields which allow social workers to document information specific to the use of psychotropic drugs in individual cases. One of the goals of the CWS/Web Project is to improve the ability to document and retrieve data elements, including psychotropic drugs, as well as add additional data elements. High level requirements for improvements in system data documentation and retrieval for all data elements have been identified. Development of those high level system requirements has included review and input from counties and research organizations such as the University of California at Berkeley. Specific data elements to be added in CWS/Web will be identified and incorporated during the specific design process which will begin upon award of a prime vendor contract. That design process will include participation by CDSS, county, research and data reporting staff.

**PANEL**

- Department of Social Services
- Department of Finance
- Public Comment

**Question:**

- Department, can you briefly provide an overview of the trends you've seen in foster children taking psychotropic medications? What factors are contributing to this use?

**Staff Recommendation:**

No action required at this time.

**ISSUE 3: ADDITIONAL FLEXIBILITY FOR NONPROVISION FOSTER CARE FISCAL AUDITS TRAILER BILL**

This proposal from the Administration would allow the Department of Social Services to conduct program audits of fewer than 12 months and would remove the prohibition against reducing the Rate Classification Level (the program's rate) based on an audit of fewer than 12 months. This would provide the Department with increased flexibility to manage audit workload in the most efficient manner and continue to conduct audits with fewer resources. A 12 month audit period is still required to establish a foster care overpayment.

**PANEL**

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Public Comment

**Questions:**

- Department, will the audits be completed to the "relief" standards? Following that, if any audit finds that a facility is not meeting the relieved standards, what is the next step for state action? Would this include adjustment of the RCL?
- Department, can you please briefly describe the new overpayments premise?

**Staff Recommendation:**

Hold this language open pending further discussion with stakeholders and with the department on potential adverse implications for group homes.



**ISSUE 4: IMPROVING CHILD SAFETY BCP**

This BCP requests the establishment of 2.0 full-time permanent and 1.0 full-time two-year limited-term positions to perform activities associated with state and federal requirements to review child fatalities and near fatalities resulting from child abuse and neglect. The requested positions will perform duties associated with mandated case-specific review of the circumstances surrounding the fatalities/near fatalities of children known to the state's Child Welfare Services (CWS) system. The staff will assist in implementing program policy specific to the federal Child Abuse Prevention and Treatment Act (CAPTA), which requires states to disclose findings and information to the public about cases of child abuse and neglect that result in fatalities and near fatalities, prepare federally mandated reports and analyses pertaining to child fatalities/near fatalities, and work with the counties to improve their reporting of child fatalities/near fatalities resulting from abuse and neglect. The cost of the new positions is \$265,000 (\$182,000 GF) for 2009-10.

**PANEL**

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Public Comment

**Staff Recommendation:**

Although this BCP was included in the 2009-10 Budget, it was included without prejudice and may be modified per the usual Budget Subcommittee process. Given the serious fiscal situation of the state, it is recommended that this item be held open given its General Fund impact, however small, and the new nature of the activities associated with the positions.

It is further recommended that the Subcommittee request that the Department consider a modified version of the proposal that reduces its new General Fund burden and submit this to the Subcommittee either in early May or at May Revision.

**ISSUE 5: TITLE IV-E CHILD WELFARE WAIVER DEMONSTRATION “CAPPED ALLOCATION” PROJECT (CAP) BCP**

DSS is requesting 5.5 permanent positions for the Title IV-E Child Welfare Waiver Demonstration CAP and contract funding for the federally-required CAP evaluation. Specifically, the Department requests: 1) approval of a Staff Services Manager I position and the Research Analyst II position; 2) extension of the 1.0 Associate Accounting Analyst and 0.5 Staff Counsel III positions that are scheduled to expire on June 30, 2009; 3) restoration of the 1.0 Social Services Consultant II position in the Children and Family Services Division (CFSD) and establishment of the 1.0 RA II position in the Administrative Division; and 4) restoration of the funding for the federally-mandated independent third party evaluation contract. The costs of the positions are \$962,000 (\$476,000 General Fund).

**PANEL**

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Public Comment

**Questions:**

- Department, why have these positions been proposed to be made permanent and not limited-term to align with the expected finite timeline of the CAP?
- Department, what is the current staffing and in broad terms, which areas of technical assistance and oversight are not being addressed with the current staff resources?

**Staff Recommendation:**

Although this BCP was included in the 2009-10 Budget, it was included without prejudice and may be modified per the usual Budget Subcommittee process. Given the serious fiscal situation of the state, it is recommended that this item be held open given its General Fund impact.

It is further recommended that the Subcommittee request that the Department consider a modified version of the proposal that reduces its new General Fund burden and submit this to the Subcommittee either in early May or at May Revision.

**ISSUE 6: CHAFEE FEDERAL NATIONAL YOUTH IN TRANSITION DATABASE BCP**

DSS is requesting position authority (two positions) in this Budget Change Proposal (BCP) to address the new workload resulting from new federal regulations from the Administration for Children and Families (ACF) for the Chafee National Youth in Transition Database. One position would be located in the Child and Youth Permanency Branch and the other in the Estimates and Research Services Branch. ACF has given states until October 1, 2010 to fully implement the regulation requirements and begin collecting required data for the Database.

**PANEL**

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Public Comment

**Staff Recommendation:**

Hold open pending further review.

**ISSUE 7: GROUP HOME CLASSIFICATION RATE RELIEF TBL**

The Administration has proposed group home "rate relief" trailer bill language. The group home "rate relief" provision was originally adopted for State Fiscal Year 2002-03 in recognition of the fact that, because of the State financial crisis that year, AFDC-FC rates were not being granted a 3.74% CNI-based COLA.

Group home "rate relief" established an Adjusted RCL Point Range for each of the 14 Rate Classification Levels (RCLs) which are used to classify each group home program and to establish its AFDC-FC rate. This permitted the private nonprofit agencies operating existing foster care group homes to modify their staffing patterns by reducing slightly the number and/or the qualifications of their child care and or social work staff, while retaining their existing RCL and its associated AFDC-FC rate. Group homes were able to use this limited flexibility to recruit and retain the most effective configuration of child care and social work staff possible within their capped AFDC-FC funds.

Group home "rate relief" was specifically designed to ensure that it would not increase the costs of the AFDC-FC Program. The amendment made to Welfare and Institutions Code (WIC) 11462 (f) (2) only allows the Adjusted RCL Point Ranges to be used by existing group home programs continuing to operate at their existing RCL and AFDC-FC rate. Group home "rate relief" does not permit an existing group home program to

retain its current staffing level and use the lower Adjusted RCL Point Ranges to be placed into a higher RCL and thereby receive a higher AFDC-FC rate.

<b>PANEL</b>
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- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Public Comment

**Staff Recommendation:**

Hold open pending further review.

**ISSUE 8: IN-HOME SUPPORTIVE SERVICES PROGRAM – OVERVIEW**

The In-Home Supportive Services (IHSS) program provides various services to eligible aged, blind, and disabled persons who are unable to remain safely in their homes without such assistance. An individual is eligible for IHSS if he or she lives in his or her home—or is capable of safely doing so if IHSS is provided—and meets specific criteria related to eligibility for the Supplemental Security Income/State Supplementary Program. In August 2004, the U.S. Department of Health and Human Services approved a Medicaid Section 1115 demonstration waiver that made about 93 percent of IHSS recipients eligible for federal financial participation. Prior to the waiver, about 25 percent of the caseload were not eligible for federal funding and were served in the state-only “residual” program.

The following actions were taken as part of the 2009-10 special session in IHSS as part of the 17-month package:

- Rejection of the Governor’s proposal to restrict non-medical services to only those IHSS recipients with the highest level of need.
- Rejection of the Governor’s proposal to eliminate the state’s share of cost contribution for IHSS recipients with lower levels of need.
- Rejection of the Governor’s proposal to restrict state participation in IHSS wages to the state minimum wage.
- Elimination of the state’s share of cost contribution prospectively to new IHSS recipients subject to the federal fund trigger.
- Reduction in the state participation in IHSS wages to \$9.50 per hour and \$0.60 for health benefits subject to the federal fund trigger.
- Continuation of the five percent base cut in IHSS county administration.

**PANEL**

- Department of Social Services
- Department of Finance
- Legislative Analyst’s Office
- Public Comment

**Questions:**

- Department, can you briefly provide an update on the status of the waiver application?
- Department, please outline what steps you’ve already taken and plan to take to implement the reduction in state participation on IHSS wages presumed to go into effect July 1, 2009?

**Staff Recommendation:**

No action required at this time.

**ISSUE 9: IHSS – QUALITY ASSURANCE**

Given the size and scope of the IHSS program, with approximately 376,000 providers providing various services to approximately 444,000 consumers, there has been recent, increased attention on quality assurance, program integrity, and state oversight. The newly-created California Senate Office of Oversight and Outcomes recently released a report and held a hearing on the "Examination of the Impact of SB 1104 [Chapter 229, Statutes of 2004]: The 2004 Quality Assurance Initiative." The key components of SB 1104's mandate included:

- Hourly Task Guidelines and Training. SB 1104 required counties to follow precise rules in determining the amount and type of services each IHSS recipient should receive. Standardization of assessments has been undertaken to achieve greater uniformity.
- Verification of Receipt of Services. SB 1104 required the department to develop methods for verifying the receipt of supportive services by program recipients and issue instructions for counties to evaluate and respond to identified problems and discrepancies.
- Error Rate Studies. SB 1104 required the department to conduct annual error rate studies to estimate the extent of overpayments and fraud in IHSS and to use these studies to prioritize quality improvement efforts.
- Data Matches. SB 1104 required the department to conduct these matches with Medi-Cal paid claims to catch errors and fraud.

The Department will present on its activities toward the completion of SB 1104 requirements in the hearing.

**TIME CARD ISSUES**

The Legislative Analyst's Office included discussion of time card reform in its January 22, 2009 *Budget Analysis*, raising issues on the timeliness of time card submission and the documentation of specific hours per task by providers. These issues have been discussed further in the hearing that took place in the Senate and continue to be under review. The Department has provided information to the Subcommittee on the overwhelming majority of time cards that are submitted within 30 days of work activity.

**PANEL**

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office

- Frank Mecca, County Welfare Directors Association
- Jovan Agee, United Domestic Workers/AFSCME
- Tamara Rasberry, SEIU
- Deborah Doctor, Protection and Advocacy Inc.
- Client Representative (not yet confirmed)
- Public Comment

**Questions:**

- Department, please briefly review the implementation status of the various components in SB 1104. What are the remaining facets for implementation and what is the state's timeline for this?
- Department, please report on your most recent date on the timely submission of time cards.
- LAO, what areas of reform do you advise more attention to and what are some potential considerations to achieving these, e.g CMIPS automation changes and implementation?

**Staff Recommendation:**

Given the concern on time cards specifically, and complexity in addressing these issues given the automation, implementation, and programmatic pressures on the program, direct staff to consider options for possible review at future Subcommittee hearings either in the current year or in 2010.

**ISSUE 10: IHSS – COUNTY FUNDING AND REASSESSMENTS**

The final 2008-09 Budget included an administrative reduction of five percent (\$15 million total funds, \$5.3 million General Fund), which was reduced from the ten percent reduction initially proposed by the Governor in the January 2008 Budget. Growth in the program viewed against this reduction, which continued in the adopted 2009-10 Budget as part of the 17-month package, raises the issue of severe county underfunding in the program.

**BACKGROUND ON COUNTY FUNDING**

CWDA states that the traditional budgeting yardstick assumed that county workers needed only 11.58 hours per client per year to provide a number of services to administer the program, such as enrolling recipients into the program, conducting individualized in-home assessments, coordinating with other service providers for care, enrolling providers and processing provider timesheets.

This budgeting yardstick was inadequate when it was established in 1993 and has remained relatively unchanged since then. Counties have not received additional funding to cover increases in the cost of administering the IHSS program for the past seven years. CWDA states that this failure to fund actual county costs to administer the program will result in underfunding of IHSS by over \$72.3 million in federal and state dollars (\$30.1 million GF) annually since 2000-01, and reduces the funding level of service hours to just 8.46 hours per client per year.

Another factor in this shortfall to fund the budget yardstick is the aforementioned five percent cut to IHSS administration in fiscal year 2008-09, a cut which is proposed to continue into 2009-10. This five percent cut effectively reduces the value of the budget yardstick to just 7.93 hours per client per year. Thus, the CWDA contends, the Administration's budget for IHSS funds only 68 percent of the budget methodology, less than two-thirds of the already unrealistic budgeting yardstick.

CWDA further states that this chronic under-funding in IHSS program administration jeopardizes client safety and seriously erodes services to IHSS consumers. IHSS workers are forced to rush through their recipient assessments, increasing the likelihood of errors. To the extent that clients receive inadequate hours for authorized services, recipients will not receive the appropriate amount of care they need to remain safely in their own homes. Coordinating care with other care providers, a service that benefits clients, goes by the wayside as workers are redirected to other critical and mandatory functions such as payroll processing, intakes and reassessments.



**STATE COMPLIANCE  
MONITORING**

Despite the significant underfunding in the IHSS program, the Administration continues to perform compliance monitoring of counties for reassessments. Given the resource-depleted environment for IHSS and the inability for counties to already comply with mandates and regular processing demands, exacerbated by recent reductions, the natural question is raised on whether relief for counties should be offered in some way.

CWDA requests trailer bill language to suspend compliance monitoring until the funding problem in IHSS can be addressed to discuss alternatives that will yield workload reduction. This request includes a change to 18-month reassessments without exceptions. Current statute and regulations allow for a 6-month extension of the 12 month reassessment, contingent upon meeting several criteria. Unfortunately, CWDA asserts that few counties have been able to take advantage of this option due to the number of criteria that must be met. However, because other workload relief proposals will in no circumstance mitigate the funding deficiency in IHSS program administration, the trailer bill language remains necessary.

**PANEL**

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Frank Mecca, County Welfare Directors Association
- Public Comment

**Staff Recommendation:**

Direct staff to continue to consider this issue with potential action after review of the May Revision.

**ISSUE 11: IHSS – PROVIDER ENROLLMENT FORM CHANGES**

The Administration's budget would implement a provider enrollment form as required under SB 1104 (Chapter 229, Statutes of 2004). Advocates have reacted strongly to the changes being considered by the Department.

DSS contends that the provider enrollment form change is necessary in order to comply with federal and state requirements. With the enactment of the IHSS Plus Waiver (IPW) and the complimentary changes that moved over 44,000 from the Residual to the PCSP Program, CMS and DHCS have required IHSS to follow and adhere to Medi-Cal rules. This transition has taken time given the difference between the IHSS social model and the medical model. Implementation of the new Provider Enrollment form is predicated on the mandates set forth in SB 1104, specifically, Welfare and Institutions Code (W&IC) Section 12305.81 requires a form that specifies new ten-year provider exclusion requirements for all supportive services (In-Home Supportive Services/Personal Care Services Program [IHSS/PCSP]) providers. Additionally, in order for the State to receive Federal Financial Participation, (FFP), DHCS must ensure that state Medi-Cal and federal Medicaid requirements are met. This would include requirements that relate to disclosure of certain information by those persons, entities who wish to receive reimbursement for services rendered to Medi-Cal beneficiaries, (i.e. PCSP and IPW program recipients.)

**ADVOCATES' REACTION**

Provider advocates state that the current form is a very simple, one-page document that requires caregivers to provide the following information: name, social security number, address, telephone number, date of birth, gender, ethnic origin, relationship to the recipient, and the date of the first day on the job. The draft Provider Enrollment Form is several pages long and overly complicated with terms and language that is too legal in nature, particularly the disclosure statements. This form may be very difficult for the target reader to understand.

CWDA states that the proposal underestimates the work required by county programs to comply with the new requirements, and thus seriously underbudgets for this new workload. For example, the proposed budget assumes that only 15 minutes are needed to mail forms to providers, schedule appointments, review for completeness, verify and photo-copy all required documentation (i.e. social security card and drivers license), sign the form, mail the completed form to the client and maintain the form on file locally. CWDA believes additional time will be needed, including time to follow up with providers not completing forms timely (and thus delaying services to clients) and checking and referring providers to the Medi-Cal "Suspended and Ineligible" list. CWDA estimates that this new workload will require a minimum of 30 minutes to complete and is therefore requesting trailer bill language requiring CDSS to work with

the counties to develop an appropriate workload methodology and follow up after implementation to update funding based on actual workload.

<b>PANEL</b>
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- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Frank Mecca, County Welfare Directors Association
- Jovan Agee, United Domestic Workers/AFSCME
- Tamara Rasberry, SEIU
- Donna Calame, San Francisco IHSS Public Authority
- Public Comment

**Staff Recommendation:**

Staff recommends that the Subcommittee request that the Department of Social Services 1) convene a stakeholder meeting jointly with the Department of Health Care Services on potential revisions to the Enrollment Form that would both meet the expectations under state law and the waiver while easing the burden on counties and providers and 2) report back to the Subcommittee in May Revision hearings on its progress in identifying and addressing these issues.

**ISSUE 12: ADULT PROTECTIVE SERVICES – STATUS UPDATE**

The Adult Protective Services (APS) program provides services, without regard to income, to elders aged 65 and older, and dependent adults aged 18-64 who are functionally impaired, unable to meet their own needs, and who are victims of abuse, neglect, or exploitation.

The APS program sustained a 10 percent veto in the 2008-09 Budget and this reduced base has been proposed for and was included in the enacted 2009-10 Budget.

**PANEL**

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Frank Mecca, County Welfare Directors Association

**Questions:**

- Department and Counties, what has been the material, programmatic, and client-level effect of the 10 percent reduction last year?

**Staff Recommendation:**

No action at this time.

**ISSUE 13: SSI/SSP – BUDGET OVERVIEW AND IMPLEMENTATION UPDATE**

The following actions were taken as part of the 2009-10 special session budget in Supplemental Security Income/State Supplementary Program (SSI/SSP):

- Suspension of the state SSP COLA as proposed by the Governor.
- Suspension of the pass-through of the federal SSI COLA as proposed by the Governor.
- Rejection of the Governor's proposal to reduce SSI/SSP grants to the federal minimum.
- Rejection of the Governor's proposal to eliminate the Cash Assistance Program for Immigrants (CAPI).
- Reduction of SSI/SSP grants by 2.3 percent, subject to the federal fund trigger.

**PANEL**

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Public Comment

**Questions:**

- Department, how are recipients learning about this mix of grant changes? How is this information being delivered in light of the \$250 one-time benefit included as part of the federal stimulus package?
- LAO, what are the effects of the recent changes on real grant levels for individuals and for couples?

**Staff Recommendation:**

No action required at this time.

**ISSUE 14: COMMUNITY CARE LICENSING – PROGRAM OVERVIEW AND BACKLOG UPDATE**

The Community Care Licensing (CCL) Division of the Department of Social Services (DSS) develops and enforces regulations designed to protect the health and safety of individuals in 24-hour residential care facilities and day care. The CCL oversees the licensing of about 86,000 facilities, including child care centers, family child care homes, foster family and group homes; adult residential facilities; and residential facilities for the elderly. Counties who have opted to perform their own licensing operations monitor approximately 11,000 of these facilities.

**CURRENT LAW**

The CCL Division of DSS performs different types of inspection visits to licensed facilities. Facilities with complaints filed against them or those with new applications receive prompt inspections. Those facilities that require close monitoring, due to their compliance history or because they care for developmentally disabled clients, receive annual inspections. Approximately 10 percent of community care facilities require these annual visits.

The remaining 90 percent of community care facilities are subject to a routine unannounced inspection only if selected as part of a 30 percent random sample of facilities. This equates to about 21,300 facilities per year. In practice, this sampling procedure means that most of the licensed facilities in California would receive a routine visit once every three years. In addition to the 30 percent random inspection protocol, there is a separate statutory requirement that a community care facility be visited at least once every five years.

Last year, the Governor proposed to reduce the current 30 percent random inspection protocol to 14 percent of facilities and eliminate 33 positions. This proposal was rejected by the Legislature.

**LICENSING UPDATE**

The Department has provided the following licensing update:

*Facilities Touched*

- During 2007-08, CCL was on site for any reason to 41,391 facilities or 55.5 percent of all facilities.
- During 2008-09, CCL is projecting to be on site to 51,550 facilities or 68.5 percent of all facilities. This is a 24.5 percent increase over the previous year.

*Complaints*

- During 2007-08, complaints increased by 3.0 percent to 14,100.

- During 2008-09, CCL is projecting complaints to decrease by 6.5 percent to 13,190.
- During 2007-08, the most serious complaint citations (Type A) made up 73 percent of complaint citations.
- During 2008-09, CCL is projecting Type A citations to decrease to 70 percent of complaint citations.

#### *5 Year Inspections*

- During 2007-08, there were 321 overdue 5 Year Inspections per month.
- During 2008-09, CCL is projecting 200 overdue 5 Year Inspections per month; a 38 percent decrease over the previous year.

#### *Citations*

- During 2007-08, citations decreased by 0.5 percent to 80,205.
- During 2008-09, CCL is projecting citations to decrease by 11.7 percent to 70,790.
- During 2007-08, the most serious citations made up 49 percent of all citations.
- During 2008-09, CCL is projecting Type A citations to decrease to 48 percent of all citations.

#### **PANEL**

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Public Comment

#### **Questions:**

- Department, please briefly describe the effect of the furloughs on CCL and any efforts that are being made to mitigate the effect of staffing and your core functions?
- Department, briefly provide an update on the effort to complete the backlog, as was funded in the current year budget.

#### **Staff Recommendation:**

No action required at this time.

**ISSUE 15: LICENSING CLIENT PROTECTIONS BCP**

This BCP requests \$3.5 million and 30 positions, to be supported by a 16 percent increase in licensing fees, to address issues identified last year by the Bureau of State Audits (BSA) related to registered sex offenders and licensed facilities, as well as to investigate arrest reports for persons previously criminally cleared to operate or work at licensed facilities. 21.5 positions, of the 30, will be used to strengthen criminal record background check protections and handle the growth in rap sheets and child abuse index matches as well as to investigate increasing serious crime arrests. 8.5 positions will be used for registered sex offender investigations to assure compliance with applicable laws relating to sex offenders and licensed facilities, certified homes, and county-approved relative homes. The fee increase is expected to rise just over \$3 million in 2009-10 and the remaining \$508,000 will be drawn down from federal funds, for no General Fund impact.

**LAO ALTERNATIVE**

From the LAO *Analysis*:

The Governor's budget proposes increasing fees by 16 percent, which generates about \$3.5 million in additional revenue, to support the proposal described in the previous section. Our recommendation is to increase fees by a higher amount than proposed by the Governor, and gradually invest the additional fee revenue in the program areas described in the Governor's proposal. Specifically, we recommend (1) a higher fee increase of 25 percent (raising \$5.4 million), (2) funding the workload increase related to subsequent crime arrest investigations (at a cost of \$1.8 million), and (3) funding the data-sharing portion of the expanded efforts related to registered sex offender investigations now (at a cost of \$96,000) and delaying consideration of the remaining efforts for two years. This option results in a net General Fund benefit of \$3.5 million in 2009-10, with similar savings in 2010-11.

**Fee Revenue.** Figure 15 compares examples of current annual and application fees to the Governor's and LAO's proposed fees. Under our approach of increasing fees by 25 percent, revenues would increase by about \$1.9 million more than the Governor's proposal, for a total of \$5.4 million in 2009-10. These fees have not been raised since 2004-05 and currently recover about 35 percent of the state cost of licensing and enforcement activities. We estimate a 25 percent fee increase would raise the state's cost recovery to about 45 percent.



FIGURE 15

**Community Care Licensing Fees**  
**Examples of Current and Proposed Fees**

Facility Type	Annual Fee			Application Fee		
	Current	Governor's Proposal	LAO Proposal	Current	Governor's Proposal	LAO Proposal
Family child care home (1-8 children)	\$60	\$70	\$75	\$60	\$70	\$75
Child care center (1-30 children)	200	232	250	400	464	500
Adult day facility (16-30 adults)	125	145	156	250	290	313
Residential facility (16-30 residents)	750	869	938	1,500	1,739	1,875
Foster family agency	1,250	1,449	1,563	2,500	2,898	3,125

**Gradual Investment in Expanded Registered Sex Offender Investigations.** The state currently invests in several processes and programs through the California Department of Corrections and Rehabilitation, the Department of Justice, and local probation agencies to monitor the whereabouts of registered sex offenders. Given these existing efforts, we believe the development of the data-sharing capability is justified at this time. Therefore, we recommend funding this portion of the Governor's proposed efforts to expand CCL's registered sex offender investigations. Specifically, we recommend providing total funds of \$111,000 to develop, administer, and maintain a Web site for sharing location information on community care facilities with parole agents and probation officers, offender placement agencies, and local offender registration officials. We believe funding this specific tool will enhance the efforts of existing resources that are dedicated to the monitoring of registered sex offenders.

As for the remaining proposed efforts to expand CCL's registered sex offender investigations, we believe that CCL has a sound existing process in place—through background checks and review of criminal arrest records—to check for potential registered sex offender involvement with licensed facilities. This existing process contributed to the low incidence of actions resulting from the address matches identified by BSA. Therefore, although these proposed efforts to expand investigations of registered sex offenders have merit, these efforts represent a higher service level which we believe can wait for consideration for two years. At that time, the Legislature can reconsider the merit of these additional positions and the state's fiscal condition.

**PANEL**

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Public Comment

**Questions:**

- Department, what do you already do in the area of criminal background check protections and how will this be augmented by the activities funded through the BCP?
- Department, please provide your overview of the State Auditor findings and recommendations with regard to the Registered Sex Offender Investigations?

**Staff Recommendation:**

Hold open further action on this BCP pending May Revision.

**ISSUE 16: RELOCATION OF THE DISABILITY DETERMINATION SERVICE DIVISION – LOS ANGELES BRANCH BCP**

DSS is requesting a support budget augmentation of \$970,000 (\$485,000 GF) to relocate the Los Angeles State Program Branch of the Disability Determination Service Division (LASP-DDSD). Of the \$970,000, \$634,000 (\$317,000 GF) is for one-time relocation costs and \$336,000 (\$168,000 GF) is for six months rent increase in FY 2009-10. Permanent annualized costs of the rent increase starting in FY 2010-11 are \$672,000 (\$336,000 GF). The funding will be restricted and solely used for relocation purposes in 2009-10. The Department of General Services, Real Estate Service Division informed DSS in 2007 that the LASP Branch must be relocated due to Seismic Noncompliance. The Subcommittee is in receipt of this notification.

**PANEL**

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Public Comment

**Staff Recommendation:**

Although this BCP was included in the 2009-10 Budget, it was included without prejudice and may be modified per the usual Budget Subcommittee process. Given the serious fiscal situation of the state, and the unfortunate lack of health and safety compliance in many areas of government, it is recommended that this item be held open given its General Fund impact, however small.

It is further recommended that the Subcommittee request that the Department work with the Department of General Services on a contingency plan if the BCP is ultimately denied and the relocation is postponed until a later year.