

## AGENDA

### ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER DR. JOAQUIN ARAMBULA, CHAIR

**WEDNESDAY, APRIL 11, 2018**  
**2:30 P.M. - STATE CAPITOL, ROOM 444**

<b>ITEMS TO BE HEARD</b>		
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**LIST OF PANELISTS IN ORDER OF PRESENTATION****5180 DEPARTMENT OF SOCIAL SERVICES****ISSUE 1: DEAF ACCESS PROGRAM ADVOCACY PROPOSAL**

- Assemblymember Kevin Mullin
- Michelle Bronson, Executive Director, Deaf and Hard of Hearing Service Center, Inc.
- Leeza Rafiqi, Deaf Consumer of DAP Program Services
- Will Lightbourne, Director, Department of Social Services
- Iliana Ramos, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

**ISSUE 2: IMPLEMENTATION OF THE CONTINUUM OF CARE REFORM (CCR) EFFORT**

- Will Lightbourne, Director, Greg Rose, Deputy Director, Children and Family Services Division, and Sara Rogers, Branch Chief, Continuum of Care Reform, California Department of Social Services
- Frank Mecca, Executive Director, County Welfare Directors Association of California
- County Representative (name pending)
- Kirsten Barlow, Executive Director, County Behavioral Health Directors Association
- Angie Schwartz, Policy Director, Alliance for Children's Rights
- Susanna Kniffen, Senior Director, Child Welfare Policy, Children Now
- Destiny Adams, Caregiver, Los Angeles County
- Sharonda Wade, Supervising Social Worker, Service Employees International Union, Local 721
- Vanessa Hernandez, Director of Statewide Policy, California Youth Connection
- Lucy Salcido Carter, Policy Advocate, Youth Law Center
- Justin Freitas, Department of Finance
- Ben Johnson, Legislative Analyst's Office
- Public Comment

**ISSUE 3: FOSTER PARENT RETENTION, RECRUITMENT, AND SUPPORT (FPRRS) FUNDING ADVOCACY PROPOSAL**

- Will Lightbourne, Director, Greg Rose, Deputy Director, Children and Family Services Division, and Sara Rogers, Branch Chief, Continuum of Care Reform, California Department of Social Services
- Joyce Hammerich, Redwood Empire Foster Parent Association, Sonoma County
- Susanna Kniffen, Senior Director, Child Welfare Policy, Children Now
- Justin Freitas, Department of Finance
- Ben Johnson, Legislative Analyst's Office
- Public Comment

**ISSUE 4: FOSTER YOUTH DEVELOPMENT AND DIVERSION ADVOCACY PROPOSAL**

- Assemblymember Mike Gipson
- Frankie Guzman, Director California Youth Justice Initiative, National Center for Youth Law
- Shay Holliman, Outreach Worker/Community Organizer, Fathers and Families of San Joaquin
- Will Lightbourne, Director, Greg Rose, Deputy Director, Children and Family Services Division, and Sara Rogers, Branch Chief, Continuum of Care Reform, California Department of Social Services
- Justin Freitas, Department of Finance
- Ben Johnson, Legislative Analyst's Office
- Public Comment

**ISSUE 5: EXTENDED FOSTER CARE ADVOCACY PROPOSAL**

- Assemblymember Mike Gipson
- Ahmadia Fuller, Nonminor Dependent
- Sabrina Forte, Youth Justice Fellow, Bay Area Legal Aid
- Will Lightbourne, Director, Greg Rose, Deputy Director, Children and Family Services Division, and Sara Rogers, Branch Chief, Continuum of Care Reform, California Department of Social Services
- Justin Freitas, Department of Finance
- Ben Johnson, Legislative Analyst's Office
- Public Comment

**ISSUE 6: DESIGNATED COACHES FOR RESOURCE FAMILIES ADVOCACY PROPOSAL**

- Michelle Evans, Student, McGeorge School of Law Legislative and Policy Clinic
- Keri Firth, Student, McGeorge School of Law Legislative and Policy Clinic
- Will Lightbourne, Director, Greg Rose, Deputy Director, Children and Family Services Division, and Sara Rogers, Branch Chief, Continuum of Care Reform, California Department of Social Services
- Justin Freitas, Department of Finance
- Ben Johnson, Legislative Analyst's Office
- Public Comment

**ISSUE 7: BUDGET CHANGE PROPOSALS (BCPs) FOR CHILD WELFARE SERVICES (CWS) IN THE GOVERNOR'S BUDGET**

- Will Lightbourne, Director, Greg Rose, Deputy Director, Children and Family Services Division, Dave McDowell, Chief, Children's Services and Operations

Branch, and Sara Rogers, Branch Chief, Continuum of Care Reform, California Department of Social Services

- Justin Freitas, Department of Finance
- Ben Johnson, Legislative Analyst's Office
- Public Comment

**ISSUE 8: COMMUNITY CARE LICENSING – PROGRAM AND BUDGET REVIEW**

- Pat Leary, Chief Deputy Director, and Pam Dickfoss, Deputy Director Community Care Licensing, California Department of Social Services
- Justin Freitas, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

**ISSUE 9: BUDGET CHANGE PROPOSALS RELATED TO COMMUNITY CARE LICENSING**

- Pat Leary, Chief Deputy Director, and Pam Dickfoss, Deputy Director Community Care Licensing, California Department of Social Services
- Justin Freitas, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

**ISSUE 10: STATE HEARINGS – BUDGET CHANGE PROPOSAL AND PROGRAM UPDATE**

- Pat Leary, Chief Deputy Director, Department of Social Services, Manuel Romero, Deputy Director, State Hearings Division, Department of Social Services
- Tyler Woods, Department of Finance
- Ginni Bella, Legislative Analyst's Office
- Public Comment

**ISSUE 11: CALWORKS INDIAN HEALTH CLINIC ADVOCACY PROPOSAL**

- Vanessa Cresci, Director of Research and Public Health, California Rural Indian Health Board
- Martin D. Martinez, CSAC II, Redwood Valley, Consolidated Tribal Health Project
- Will Lightbourne, Director, and Kim Johnson, CalWORKs and Child Care Branch Chief, Family Engagement and Empowerment Division, Department of Social Services
- Tyler Woods, Department of Finance
- Ginni Bella, Legislative Analyst's Office
- Public Comment

## ITEMS TO BE HEARD

### 5180 DEPARTMENT OF SOCIAL SERVICES

#### ISSUE 1: DEAF ACCESS PROGRAM ADVOCACY PROPOSAL

##### PANEL

- Assemblymember Kevin Mullin
- Michelle Bronson, Executive Director, Deaf and Hard of Hearing Service Center, Inc.
- Leeza Rafiqi, Deaf Consumer of DAP Program Services
- Will Lightbourne, Director, Department of Social Services
- Iliana Ramos, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

##### ADVOCACY PROPOSAL

The Subcommittee is in receipt of a funding proposal from Assemblymember Kevin Mullin for the Deaf Access Program. The request is described below.

"I am writing to request an ongoing funding increase of \$4.1 million for the Deaf Access Program from \$4.7 million, which is included in the Governor's proposed 2018-19 budget, to \$8.8 million.

In 1980, the Legislature created the Deaf Access Program (DAP) to provide deaf and hard of hearing individuals with the communication services they need to access the state and local programs to which they are legally entitled. Funding for the DAP reached \$5.8 million in Fiscal Year (FY) 1998-99. In FY 2008-09, funding for the program decreased by \$0.6 million to \$5.2 million and has remained at that level since. The Governor's proposed FY 2018-19 budget further cuts DAP funding by half a million dollars to \$4.7 million. Unfortunately, the population in need of DAP services continues to grow, while resources for the program continue to diminish.

Estimates show that DAP agencies need \$4.1 million more in ongoing funding to meet the demand for services. This would cover the unmet need created as a result of the \$1.1 million reduction in funding for the program since FY 2007-08. It would also provide agencies with an additional \$3 million to serve linguistically isolated households currently not receiving services as a result of the existing funding shortage. A "linguistically isolated household," as defined by the U.S. Census Bureau, refers to a household in which no one 14 years or older speaks English "very well."

Along with this request, I am proposing budget trailer bill language to allow contracts that DAP agencies operate to be renewed every five years through a competitive

process rather than annually, as it is currently done. This will grant the California Department of Social Services flexibility in the contract renewal process and relieve some of the administrative burden DAP agencies face when renewing their contracts each year.

As someone who is hearing impaired, this issue is very personal to me. I am committed to ensuring that deaf and hard of hearing individuals have full access to the communication services they are eligible for under state law.”

The Subcommittee has received additional support letters from multiple organizations, including NorCal Services for the Deaf and Hard of Hearing. NorCal states that without this augmentation, the DAP as provided through eight regional service agencies are already being targeted to receive funding cuts effective July 1, 2018 due to the nominal decrease in their real funding from the current year. The margin of support in question has been offered informally by DSS, but is being removed in 2018-19, resulting in the pending, real cut to programs.

“With the additional \$4.1 million, the goal is to bring competitive employment opportunities along with providing further assistance to Deaf and hard of hearing individuals from linguistically isolated households, DAP agency staff are uniquely qualified to communicate using the languages of American Sign Language and English, and we need the ability to hire staff who are trilingual to serve this diversified population. Without appropriate funding, our resources to serve Deaf and Hard of hearing individuals is steadily shrinking each year. Augmented funding would enable service providers to maintain the operation of our service centers and retain staff who are specialized and qualified to serve this special population.”

<b>STAFF COMMENT</b>
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This is the second year that Assemblymember Mullin and advocates for the Deaf Access Program have brought this proposal forward.

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**Staff Recommendation:**

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This funding and related trailer bill language proposals will remain under consideration by the Subcommittee, as with all advocacy requests thus far. Hold open.

**ISSUE 2: IMPLEMENTATION OF THE CONTINUUM OF CARE REFORM (CCR) EFFORT****PANEL**

- Will Lightbourne, Director, Greg Rose, Deputy Director, Children and Family Services Division, and Sara Rogers, Branch Chief, Continuum of Care Reform, California Department of Social Services
- Frank Mecca, Executive Director, County Welfare Directors Association of California
- County Representative (name pending)
- Kirsten Barlow, Executive Director, County Behavioral Health Directors Association
- Angie Schwartz, Policy Director, Alliance for Children's Rights
- Susanna Kniffen, Senior Director, Child Welfare Policy, Children Now
- Destiny Adams, Caregiver, Los Angeles County
- Sharonda Wade, Supervising Social Worker, Service Employees International Union, Local 721
- Vanessa Hernandez, Director of Statewide Policy, California Youth Connection
- Lucy Salcido Carter, Policy Advocate, Youth Law Center
- Justin Freitas, Department of Finance
- Ben Johnson, Legislative Analyst's Office
- Public Comment

**OVERVIEW**

The Governor's Budget provides funds to implement reform of the state's current rate structure, service delivery, and programs for children and families in the continuum of the foster care/Child Welfare Services (CWS) system, called the Continuum of Care Reform (CCR) effort. The 2017 enacted Budget reflects the costs of implementing the CCR and the application of savings for cases that would move from group homes to lower level family-based settings in foster family agencies, foster family homes, and relative homes. The CCR budget also assumes savings from counties, adjusting the specialized care increment rate system in conjunction with the new foster care rate structure. The savings are required to be reinvested into the overall child welfare services program to improve outcomes for children, youth, and families.

The transition of group home placements to lower levels of care is progressing slower than originally projected. The 2017 enacted Budget assumed funds available for reinvestment due to group home placement movement beginning January 1, 2017 with implementation of the initial level of care rate. The SAWS programming of the additional level of care rates, Phase II, was completed in December 2017. Implementation of Phase II has been delayed until May 1, which is a subject of discussion in this agenda item.

After the implementation of Phase I of the level of care rate structure, the anticipated level of reinvestment funds did not materialize for a number of reasons, including that

there has been no change in the counties' specialized care increment (SCI) rate system. Therefore, the 2017-18 Revised Budget provides additional General Fund until April 1, 2018 to give counties time to reevaluate their SCI programs and costs in consideration of the incremental increase provided by the higher level of care rates.

The implementation updates for the group home placement movement, the implementation of Phase II in December 1, 2017, and the delay of the SCI offset until April 1, 2018, results in an increase of \$76.4 million total funds (\$63.3 million GF) in 2017-18 and \$27.3 million total funds (\$22.7 million GF) in 2018-19. The CCR estimate in the Governor's Budget assumes California's congregate care caseload will decrease from 5,527 cases in 2017-18 to 2,519 cases in 2020-21.

#### **BACKGROUND ON CWS AND CCR**

The following information is based on an analysis provided by the Legislative Analyst's Office.

California's child welfare system serves to protect the state's children from abuse and neglect, often by providing temporary out-of-home placements for children who cannot safely remain in their home, and services to safely reunify children with their families. Beginning in 2012, the Legislature passed a series of legislation implementing the CCR. This Legislative package, which includes Chapter 35 of 2012 (SB 1013, Committee on Budget and Fiscal Review), Chapter 773 of 2015 (AB 403, Stone), Chapter 612 of 2016 (AB 1997, Stone), and Chapter 732 of 2017 (AB 404, Stone), makes fundamental changes to the way the state cares for children in the foster care system. CCR aims to increase the foster care system's reliance on family-like settings rather than institutional settings such as group homes. Additionally, CCR makes changes to ensure that the state's foster children receive mental health and other supportive services regardless of their placement setting.

To facilitate these reforms, the Legislature has provided annual General Fund support for CCR since 2015-16. In 2017-18, the Governor's budget estimates spending on CCR at \$198 million General Fund. In 2018-19, the Governor's budget proposes \$139 million in General Fund to support continued CCR implementation efforts. Estimated CCR spending in 2017-18 and proposed CCR spending in 2018-19 represent increases over previous administration projections for these same fiscal years.

California's child welfare system provides an array of services for children who have experienced, or are at risk of experiencing, abuse or neglect. CWS include responding to and investigating allegations of abuse and neglect, providing family preservation services to help families remain intact, removing children who cannot safely remain in their home, and providing temporary out-of-home placements until (1) the family can be successfully reunified or (2) an alternative permanent placement can be found. After family reunification, adoption and guardianship are the two most common permanent placement options.

DSS oversees CWS, while county welfare departments carry out day-to-day operations and services. DSS is responsible for statewide policy development and enforcing state and federal regulations. Counties have flexibility around the design of their operations and to some extent the range of services they provide. All counties investigate allegations of abuse, engage with families to help them remain intact, and provide foster care payments to foster caregivers and providers. Services that may vary at the discretion of counties include, for example, child care made available to certain children in care. Assisting the counties are several hundred private Foster Family Agencies (FFAs) and congregate care providers that provide services ranging from basic care and supervision to foster parent recruitment to mental health treatment.

County probation departments carry out many of the same services provided by county welfare departments but for children who have been declared wards of the court through a delinquency hearing. Unlike the majority of children who enter the child welfare system, children in out-of-home care due to probation decisions have not necessarily been subject to abuse or neglect. Instead, probation departments often utilize foster care placements with the aim of rehabilitating the child following a criminal offense.

**Foster Care Payments and Placement Settings.** A significant component of CWS is the making of per child per month payments to foster caregivers and providers to cover costs associated with the care, supervision, and service needs of a foster child. These are referred to as foster care payments. The state sets base-level foster care payments that can vary from under \$1,000 to over \$12,000 depending on the type of placement setting a foster child is in as well as by other factors. In addition to state-mandated, base-level foster care payments, most counties, at their own discretion and with flexible county funding, pay foster caregivers caring for children with high needs supplemental payments known as “specialized care increments (SCIs).”

SCI levels vary from county to county, generally ranging from under \$100 per child per month with slightly elevated needs to over \$1,000 per child per month for foster children with the highest needs. Counties design their own assessments to determine whether a foster child qualifies for an SCI and what the SCI level should be. As a result, there is great variance in the level of SCIs throughout the state.

**CWS Funding.** Total funding for CWS is projected to be \$6.3 billion for 2018-19. Below are the major sources of this funding.

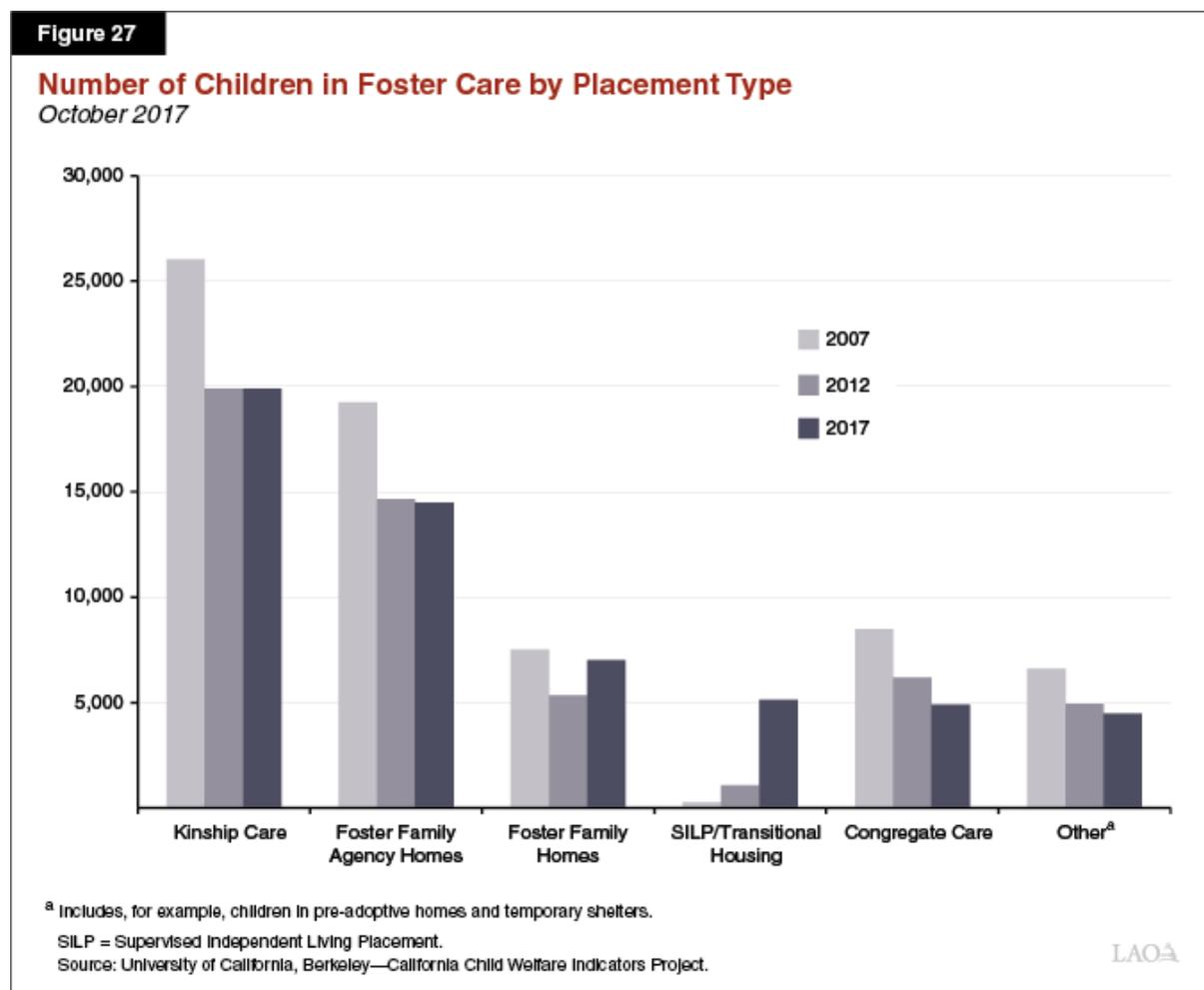
- 2011 Realignment Revenues. Until 2011-12 the state General Fund and counties shared significant portions of the nonfederal costs of administering CWS. In 2011, the state enacted legislation known as 2011 realignment, which dedicated a portion of the state’s sales tax to counties to administer CWS. The 2018-19 budget projects that nearly \$2.5 billion will be available from realignment revenues to fund CWS programs in 2018-19. As a result of Proposition 30 (2012), under 2011 realignment, counties are either not responsible or only partially responsible for CWS programmatic cost increases resulting from federal,

state, and judicial policy changes. Counties are responsible for all other increases in CWS costs, for example, those associated with rising caseloads. Conversely, if overall CWS costs fall, counties get to retain those savings. Proposition 30 protects the state from having to reimburse counties for increasing costs of child welfare policies that were in place prior to 2011 realignment. Conversely, Proposition 30 protects counties by establishing that counties only need to implement new state policies that increase overall program costs to the extent that the state provides the funding.

- Federal Funding for CWS. Federal funding for CWS stems from several sources and is projected to be around \$2.9 billion in 2018-19.
- State General Fund Supports Non-Realigned Components of Child Welfare and State Oversight Functions. The 2018-19 budget proposes around \$433 million General Fund for county welfare and probation departments to implement components of the child welfare program that were not part of 2011 realignment. CCR implementation spending constitutes a significant portion of total General Fund spending on CWS. In addition to this \$433 million, the General Fund supports the state's CWS oversight function at DSS.

**Out-of-Home Placement Options.** Counties have historically relied on four primary placement options for foster children – kinship care, foster family homes (FFHs), FFAs, and congregate care. Kinship care, FFHs, and FFAs are often collectively referred to as home-based family care (HBFC). In recent years, Supervised Independent Living Placements (SILPs) and transitional housing placements have become increasingly utilized as placement options for older foster youth.

As of October 2017, there were around 60,000 children in foster care in California. Federal and state law mandate that children be placed in the least restrictive placement setting, which state law describes as a setting that promotes normal childhood experiences and the day-to-day needs of the child. The figure on the next page from the LAO shows the number of foster children in each of the above mentioned placement settings over time. The selected placement types vary in their level of restrictiveness, serve children with different though overlapping needs, provide different kinds of specialized services, and receive varying foster care payment rates from the state.



**Kinship Care.** Established child welfare policy and practice in the state prioritizes placement with a noncustodial parent or relative. Kinship care comprises care from relatives and nonrelative extended family members and is the state’s most utilized placement option at 36 percent of foster placements as of October 2017. Kinship care is a unique foster care placement type in multiple respects. For example, unlike other placement types, kin caregivers can take in foster children on an emergency basis before having been fully approved by counties as foster caregivers. Instead, kin caregivers only must meet basic health and safety standards before an emergency placement is made. As a result of not meeting full foster caregiver approval standards prior to taking in a foster child, kin caregivers are generally not eligible to receive full monthly foster care payments until they have received full foster caregiver approval. Instead, they typically receive the CalWORKs child-only grant of almost \$400 per month. Once fully approved, in 2017-18, kin caregivers receive a minimum foster care payment of at least \$923 per month for the care and supervision of each foster child in their home.

**FFHs.** County-licensed foster homes, known as FFHs, are often the preferred placement option when a suitable kin caregiver cannot be found and the child does not have needs requiring a higher level of services. Counties recruit FFH caregivers and provide basic social work services to the approximately 13 percent of foster children statewide residing in an FFH as of October 2017. In 2017-18, FFH caregivers receive the same minimum foster care payment as kin caregivers of at least \$923 per month for the care and supervision of each foster child in their home.

**FFA Homes.** FFAs do not directly house the children under their care. Instead, FFAs are private nonprofit agencies that recruit and approve foster caregivers, place children into FFA-supervised foster homes, and provide supportive services to the children in their care, typically children with elevated needs compared to those placed in FFHs. Because they offer a relatively high level of services and often serve children with elevated needs, counties reimburse FFAs at a higher rate than either kin caregivers or FFHs. In 2017-18, FFAs receive a minimum payment of \$2,139 per month for each foster child under their supervision. Of this amount, \$923 is passed directly onto the foster child's caregiver, while the remaining amount funds the FFA's administrative and supportive services activities. FFA-supervised foster caregivers have not historically been eligible to receive county-funded SCIs. Instead, FFA-supervised foster caregivers historically received a fixed supplemental per child per month payment on top of the standard foster care payment mandated by the state for all HBFC placements. As of October 2017, 26 percent of the state's foster children were placed through an FFA.

**Congregate Care.** Congregate care includes group homes and Short-Term Residential Treatment Programs (STRTPs), the latter of which are expected to replace group homes under CCR as the permissible congregate care placement setting for CWS-supervised foster children unable to be placed in an HBFC home. Operated as private, nonprofit agencies, group homes and STRTPs provide 24-hour care, supervision, and services to foster children with the highest levels of need, often children whose significant emotional or behavioral challenges can make it difficult for them to successfully remain in home-based family foster care settings. Professional staff, as opposed to a parent-like foster caregiver, provide care and supervision to children in group homes and STRTPs. Group homes and STRTPs are considered the most restrictive, least family-like foster care setting, and are generally the least preferred placement option. Group homes and STRTPs are compensated at significantly higher rates than the other placement types, in 2017-18, ranging from just under \$3,000 to over \$12,000 per child per month. As of October 2017, approximately 9 percent of California's foster children were living in group homes or STRTPs.

**SILPs and Transitional Housing.** In recent years, counties have increasingly relied upon SILPs and transitional housing placements instead of home-based family placements and congregate care settings for older, relatively more self-sufficient youth. SILPs are independent settings, such as apartments or shared residences, where nonminors who remain in the foster care system past their 18th birthday may live independently and continue to receive monthly foster care payments. Nonminor foster youth residing in SILPs receive a monthly foster care payment of \$923. Transitional

housing placements provide foster youth ages 16 to 21 supervised housing as well as supportive services, such as counseling and employment services, that are designed to help foster youth achieve independence. The monthly foster care payment rate for foster youth in transitional housing placements ranges between \$2,000 and \$3,000. As of October 2017, 9 percent of all foster youth were residing in either SILPs or transitional housing. This is slightly greater than the number living in group homes or STRTPs.

#### **MAJOR CHANGES UNDER CCR**

CCR aims to achieve a number of complementary goals including: (1) ending long-term congregate care home placements; (2) increasing reliance on home-based family placements; (3) improving access to supportive services regardless of the kind of foster care placement a child is in; and (4) utilizing universal child and family assessments to improve placement, service, and payment rate decisions.

Congregate care placements can cost over \$12,000 per child per month depending on the level of care provided. In contrast, foster care payments for home-based family settings generally range from around \$1,000 per child per month for relative and FFH placements to somewhat more than \$2,000 per child per month for FFA placements. Moreover, long-term stays in congregate care are associated with elevated rates of reentry into foster care, lower educational achievement, and higher rates of involvement in the juvenile justice system. Recognizing the above shortcomings associated with congregate care, CCR aims to end long-term congregate care placements.

Reducing reliance on congregate care placements has been a priority for the state for some time. A major challenge to achieving this goal has been an inadequate supply of home-based family placements, which are capable of caring for children with elevated needs. Additionally, the mental health and other supportive services to help home-based family caregivers care for children with elevated needs have not historically been readily accessible at all home-based family placement types. Improving the capacity and availability of home-based family placements is a principal goal under CCR.

CCR ends group homes as a placement option for CWS-supervised foster children by January 2019. Probation departments may continue to utilize group home placements indefinitely. Nevertheless, CCR aims to encourage probation departments to make similar changes regarding their use of congregate care as child welfare departments. STRTPs are expected to replace group homes as the permissible placement setting for children who cannot safely and stably be placed in home-based family settings, providing a similar level of supervision as group homes, but with expanded services and supports. In contrast to group homes sometimes serving as long-term placements for children for whom home-based family placements cannot be found, STRTPs are intended to exclusively provide short-term, intensive treatment and other services to allow children to transition to a family setting as quickly and successfully as possible. CCR restricts STRTP placements to children who have been assessed as requiring the high level of behavioral and therapeutic services that STRTPs will be required to

provide. Children whose level of need may qualify them for STRTP placement include, among others, those assessed as having a serious mental illness and victims of commercial sexual exploitation.

To ensure the ongoing appropriateness of all STRTP placements, resident children's case plans are subject to review every six months by the director or deputy director of the supervising county child welfare or probation department. The case plans specify the reasons for the child's placement, the expected duration of stay, and the transition plan for moving the child to a less restrictive environment. As a result of the shorter expected durations of stay in STRTPs, as well as the restrictions around which foster children may be placed in STRTPs compared to group homes, it is anticipated that statewide STRTP capacity (number of beds) will be considerably lower than existing statewide group home placement capacity.

**New Rate Structure.** Until January 2017, the state's foster care payment rates primarily varied by age for children in HBFC. For example, a foster caregiver caring for a child below age 5 would receive a monthly foster care payment of around \$700 while a foster caregiver caring for a child over age 14 would receive a monthly payment of around \$900. Under the foster care payment rate structure being implemented under CCR, foster care payment rates vary by children's level of need as determined by a statewide "level of care" (LOC) assessment tool, which we describe below. There are five payment rates under CCR's "HBFC payment rate" structure, each with a corresponding LOC. LOC 1 represents the lowest level of care and corresponds with the lowest payment rate. LOC 5—also referred to as the Intensive Services Foster Care level of care—represents the highest level of care and comes with the highest payment rate. In addition to changing the basic structure of foster care payment rates, the new HBFC base foster care payment rates are generally higher than they were prior to CCR. Some form of county-optional SCIs is expected to continue under the new HBFC foster care payment rate structure. However, counties may make adjustments to their SCI rate structures in order to harmonize their SCI rate structures with the HBFC rate structure. The table below summarizes the HBFC payment rates under CCR.

## 2017-18 Home-Based Family Care Foster Care Payment Rates Under CCR

*Per Child Per Month Payment Rates*

Level of Care (LOC)	1	2	3	4	5
County-supervised foster caregivers	\$923	\$1,027	\$1,131	\$1,235	\$2,410
FFA payments:					
Foster caregivers	\$923	\$1,027	\$1,131	\$1,235	\$2,410
Services and administration	1,216	1,260	1,304	1,383	3,682
<b>Totals</b>	<b>\$2,139</b>	<b>\$2,287</b>	<b>\$2,435</b>	<b>\$2,618</b>	<b>\$6,092</b>

<sup>3</sup>In addition to this amount, counties receive \$3,682 per child per month for service costs for the LOC 5 foster children that they directly supervise.

CCR = Continuum of Care Reform and FFA = Foster Family Agency.

The DSS developed an LOC assessment tool to determine the foster care payment rate that caregivers will receive. The assessment is designed to identify the care needs of a foster child and to translate those care needs into an appropriate foster care payment rate.

Unlike the rate structure that governed group home payment rates—which differentiated group home payment rates by the level of care and supervision different group homes provided—under CCR, there is a single monthly payment rate paid for all STRTP-placed children. In 2017-18, STRTPs are paid a per child per month foster care payment rate of \$12,498.

Improving foster children’s access to mental health services has been a longstanding goal of the state. CCR builds on these efforts by requiring STRTPs—and therefore all CWS congregate care providers beginning in January 2019—to directly provide specialty mental health services to resident foster children. In addition, FFAs are required to ensure access to mental health services for the foster children they supervise by either providing the services themselves or contracting with mental health service providers to do so on their behalf. On top of aiming to improve access to mental health services, CCR mandates that certain other “core services” be made available to foster children. These core services include permanency services to help foster children reunify with their parents or, alternatively, secure permanency through guardianship or adoption.

**CCR Changes to the Caregiver Approval and Placement Processes.** Before foster caregivers may receive full foster care payments, they must be approved to provide care. Prior to CCR, the approval process differed by placement type—for example, non-relative caregivers were licensed according to one set of criteria while relative caregivers were approved under a different set of criteria. CCR replaced the multiple approval standards with a single, more comprehensive approval process that incorporates features included in assessments for prospective adoptive parents (such as a psychosocial assessment). Because it is a more comprehensive approval process, completing the RFA process is intended generally to automatically qualify a foster caregiver for guardianship and adoption. CCR legislation requires all new prospective foster caregivers to complete the RFA process beginning in January 2017. Obtaining RFA is required of all existing foster caregivers by January 2019 in order for them to continue to serve as foster caregivers.

**Child and Family Teaming.** To increase child and family involvement in decisions relating to foster children’s care, CCR mandates the use of child and family “teaming” through every stage of the case planning and service delivery process. The child and family team (CFT) may include, as deemed appropriate, the affected child, her or his custodial and noncustodial parents, extended family members, the county caseworker, representatives from the child’s out-of-home placement, the child’s mental health clinician, and other persons with a connection to the child. The CFT will meet as

needed to discuss and agree on the child's placement and service plan whenever an important foster care decision is made.

**Functional Assessment Tool to Inform Placement and Services Decisions.** CCR calls for children to receive a comprehensive strengths and needs assessment upon entering the child welfare system in order to improve placement decisions and ensure access to necessary supportive services. In late 2017, the Child and Adolescent Needs and Strengths (CANS) tool was chosen by DSS as the state's functional assessment tool. The CANS assessment tool will be used to inform the decisions of the CFT and will be administered separately from the LOC assessment tool discussed above.

#### **THE CCR BUDGET**

The budget contains funding for most of the major programmatic components identified above, including, for example, CCR's new foster care payment rates and the new costs associated with the RFA and CFT processes. This section briefly summarizes how the Governor's CCR budget is structured.

CCR increases certain costs for counties. For example, county administrative costs are higher as a result of the new RFA and CFT processes, which result in greater time commitments on county social workers. CCR's relatively higher foster care payment rates also increase county costs.

In addition to generating higher county costs, CCR is expected to result in offsetting savings for counties at some point in time. As previously discussed, CCR aims to shorten foster children's lengths of stay in congregate care, reduce the number of children ever placed in congregate care, and provide greater resources to home-based family placements in order to improve their stability. To the extent that CCR succeeds in reducing the number of foster children in more costly placements, such as congregate care, in favor of less costly placement settings, such as HBFC settings, counties are expected to experience savings.

As previously discussed, counties are responsible for the costs of administering CWS that were included in 2011 realignment. Counties are only required to implement new state CWS policies to the extent that the state provides funding to cover the new policies' costs. CCR creates new costs on counties, for example, in the form of higher administrative costs, while also potentially generating savings for counties as the proportion of foster children in costly placements such as congregate care placements decreases. The state has agreed with counties to fund CCR's net costs on a county-by-county basis. That is, the state will fund the difference between (1) the new costs that CCR creates on a county and (2) any savings that CCR generates for that same county. The state will continue to fund counties' CCR activities until each county's CCR-related savings equal or exceed its CCR costs. The state will not recoup from counties any CCR-related savings that exceed counties' CCR-related costs.

In developing previous years' budgets for CCR, DSS created a multiyear projection of CCR's state costs. The previous multiyear CCR projection released in May 2017 projected county CCR-related savings to exceed county CCR costs beginning in 2019-20, resulting in the end of state CCR funding for counties beginning in that fiscal year. The Governor's 2018-19 budget increases estimated General Fund spending on CCR in 2017-18 and 2018-19 compared to previous projections. Higher estimated 2017-18 and 2018-19 CCR spending does not result from any major proposed changes in CCR policy. Rather, this higher CCR spending reflects updated cost projections of the various components of CCR implementation.

The table below breaks down the changes in estimated and projected CCR General Fund spending by CCR component for 2017-18 and 2018-19. The Governor's 2018-19 budget increases estimated General Fund spending on CCR in 2017-18 compared to the 2017-18 budget. The General Fund provided \$134 million in 2017-18 to counties through DSS to implement CCR. The Governor's 2018-19 budget revises estimated 2017-18 General Fund spending on CCR upward by \$63 million to \$198 million.

### Differences in Projected CCR Spending Between the 2017 Budget Act and the Governor's 2018-19 Budget<sup>a</sup>

General Fund (In Thousands)

	2017-18			2018-19		
	2017-18 Budget Act	Governor's 2018-19 Budget	Difference	2017-18 Budget Act	Governor's 2018-19 Budget	Difference
CCR foster care payments <sup>b</sup>	\$11,273	\$74,408	\$63,135	-\$88,081	\$34,084	\$122,165
Child and family teams	51,177	51,177	—	51,177	51,943	766
Foster parent recruitment, retention, and support	43,260	43,260	—	21,631	21,630	-1
Resource family approval	18,556	18,556	—	23,145	23,145	—
Other administrative and automation components	9,940	10,134	194	7,895	8,101	206
<b>Totals</b>	<b>\$134,206</b>	<b>\$197,535</b>	<b>\$63,329</b>	<b>\$15,767</b>	<b>\$138,903</b>	<b>\$123,136</b>

<sup>a</sup>Only includes local assistance funding through the Department of Social Services. It therefore excludes all state operations spending as well as CCR-related mental health expenditures.

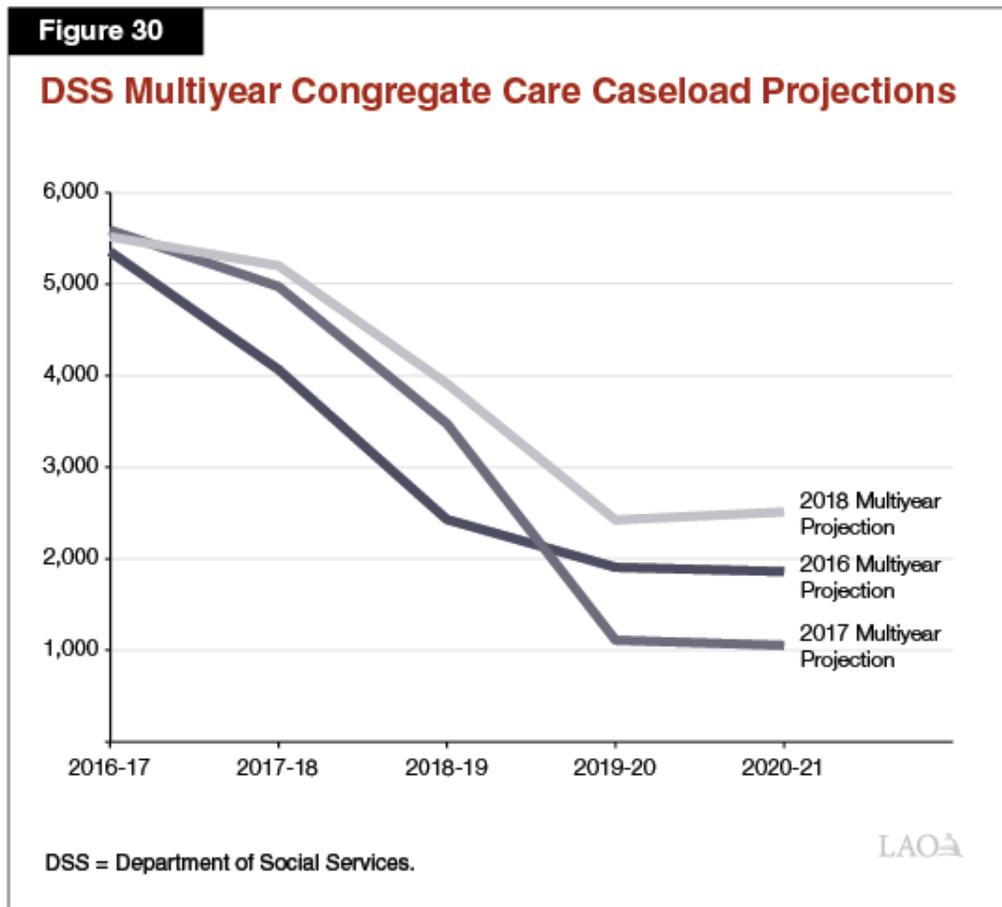
<sup>b</sup>This line includes the net costs of the following (1) the costs associated with the new higher CCR payment rate structure and (2) the offsetting savings generated by children moving out of more costly foster care placements to less costly placements.

CCR = Continuum of Care Reform.

The main driver of higher than previously anticipated and proposed state spending on CCR is the projected slower speed at which foster children are moving out of congregate care into HBFC settings. As previously discussed, projected spending on CCR from 2016-17 through 2021-22 depends significantly on the number of children transitioning out of costly placements such as congregate care placements and into lower cost placements such as HBFC settings, which generates savings for counties that the state uses to offset its CCR-related costs. Previous CCR spending projections included significant movement out of congregate care as a result of CCR efforts

beginning as early as 2016-17. The net costs associated with now slower projected caseload movement are reflected in the “CCR Foster Care Payments” line. This line combines (1) the costs associated with the new higher HBFC payment rate structure and (2) the offsetting savings generated by children moving out of more costly placements such as congregate care settings to less costly placements such as HBFC settings.

Because the expected speed at which children exit congregate care is a major a factor in understanding CCR’s net costs, the figure below compares the Governor’s updated caseload movement projections with previous budgets’ caseload movement projections. The graph shows the number of foster children projected to reside in congregate care settings under the Governor’s 2018-19 proposal (both traditional group homes and STRTPs) compared to prior CCR projections. The latest caseload movement projections assume approximately 2,500 foster children remain in congregate care through 2020-21, whereas the previous projection in January 2017 assumed around 1,000 foster children would remain in congregate care.



While overall CCR costs in 2017-18 and 2018-19 are higher than under the administration’s previous projections, the Governor’s 2018-19 budget proposal reflects a net year-over-year reduction in state General Fund costs for CCR of almost \$60 million. Three factors largely explain the net decrease:

- Greater Projected Caseload Movement in 2018-19. The Governor's 2018-19 budget projects that CCR-related caseload movement out of congregate care and into HBFC settings will pick up speed and result in greater county savings in 2018-19 compared to 2017-18. These county savings are available to offset more state General Fund spending on CCR in 2018-19.
- A Planned Reduction in Funding for Foster Caregiver Recruitment and Retention. Consistent with previous multiyear CCR spending plans, the Governor's budget proposes a 50 percent reduction in General Fund for counties for their foster caregiver recruitment and retention efforts in 2018-19 compared to 2017-18. The Governor's budget proposes almost \$22 million in General Fund funding for this purpose in 2018-19.
- Increase in RFA Funding. The Governor proposes a nearly \$5 million increase in General Fund for counties to approve existing foster caregivers under the new RFA process. Previous funding primarily covered the costs of completing RFA for new foster caregivers. Current law requires all existing foster caregivers to complete full RFA by January 1, 2019.

The table below summarizes the change in year-over-year General Fund spending on CCR between 2017-18 and 2018-19.

*General Fund (In Thousands)*

	2017-18	2018-19	Difference
CCR foster care payments <sup>b</sup>	\$74,408	\$34,084	-\$40,324
Child and family teams	51,177	51,943	766
Foster parent recruitment, retention, and support	43,260	21,630	-21,630
Resource Family Approval	18,556	23,145	4,589
Other administrative and automation components	10,134	8,101	-2,033
<b>Totals</b>	<b>\$197,535</b>	<b>\$138,903</b>	<b>-\$58,632</b>

<sup>a</sup>Only includes local assistance funding through the Department of Social Services. It therefore excludes all state operations spending as well as CCR-related mental health expenditures.

<sup>b</sup>This line includes the net costs of the following (1) the costs associated with the new higher CCR payment rate structure and (2) the offsetting savings generated by children moving out of more costly foster care placements to less costly placements.

CCR = Continuum of Care Reform.

In the administration's prior multiyear CCR spending projection, released at the 2017-18 May Revision, the administration projected CCR to be cost neutral to the state by 2019-20. These projected savings were the result of projected CCR-related caseload movement savings exceeding the total projected costs of CCR's other components. The administration no longer expects caseload movement-related savings to exceed the costs of CCR's other components within the administration's multiyear time horizon, which extends through 2021-22. Based on information from the administration, the LAO projects the net state costs directly attributable to CCR to be between around \$20 million and \$30 million annually from 2019-20 to 2021-22.

#### ISSUES IN CCR IMPLEMENTATION

State and county implementation of CCR's various components has been spread out over several years, with most of CCR's major components implemented beginning in January 2017. Some elements of CCR implementation have gone relatively smoothly. Other components of CCR implementation have been met with delays and challenges. They are summarized in this section.

**RFA Taking Significantly More Time Than Envisioned in Law.** CCR legislation generally directs RFA to be completed within 90 days of application. In practice, RFA is taking between 90 days (3 months) and 270 days (9 months) before completion for a typical case. There is variation among counties in how long the RFA process is taking—with early RFA implementer counties, for example, completing the process relatively faster. It has also been reported that FFAs, which complete RFA for foster caregivers of children who are placed through FFAs, have to a greater extent been able to meet the 90 days for approval standard compared to counties. While the reasons behind the prolonged RFA process are not entirely known, the relatively intensive set of social worker activities related to the psychosocial assessment—which was not a part of the foster caregiver approval process prior to RFA—appears to be a significant factor behind the slower than previously anticipated RFA process.

In early 2018, DSS is expected to release revised guidance to counties on ways to streamline the RFA process. This guidance is expected to, for example, encourage counties to initiate all steps of the RFA process, such as the background checks and the psychosocial assessment, concurrently rather than along a linear timeline. Moreover, we understand that DSS is working with the counties to reduce the overall administrative burden that the more comprehensive RFA process places on counties by clarifying what is and is not required under RFA. For example, updated DSS guidance is expected to clarify what steps in the RFA process must be completed before RFA is granted and what steps may be completed *after* RFA is granted.

As previously discussed, children are allowed to be placed with kin caregivers on emergency placements before the kin caregivers are fully approved as foster caregivers. However, under CCR, kin caregivers are generally not eligible to receive full foster care payments of \$923 per month until RFA is complete. Instead, they often receive the CalWORKs child-only grant of almost \$400 per month during the time

between the emergency placement and the completion of RFA—up to nine months in some cases. Due to the prolonged RFA process, therefore, kin caregivers may be caring for foster children for months at a time without receiving a full foster care payment. It is our understanding that under the kin caregiver approval process that preceded RFA, it typically took one month to two months to receive kin caregiver approval and initiate full foster care payments. Certain counties have elected to use flexible county CWS funding to increase certain kin caregivers' payments beyond the CalWORKs child-only grant and closer to or at the full foster care payment rate while the RFA application is pending. Certain kin caregivers—specifically non-relative extended family members—are ineligible for the CalWORKs child-only grant and, as a result, may in certain cases receive no payment while the RFA application is pending.

**Accuracy and Reliability of LOC Assessment Tool.** The LOC assessment tool developed by DSS is not currently being used to determine foster care payment rates. This is largely due to systems delays related to the programming of the HBFC payment rate structure. Although no foster children are being assessed using the LOC assessment tool, the state has begun to implement the new HBFC payment rate structure. Rather than implementing the new LOC-based HBFC payment rate structure at a single time, the state has elected to implement the new CCR rate structure in phases. During Phase 1, which began in January 2017, the state implemented the new HBFC LOC 1 rate (the foster care payment rate for children with the lowest level of need) and the STRTP payment rate. A relatively small number of foster children with highly elevated needs in HBFC placements began to receive LOC 5 foster care payment rates based on existing case information that does not involve the LOC assessment tool. This means that most foster caregivers of newly placed foster children began receiving the LOC 1 payment rate without regard to the actual LOC of the foster children. Because even the LOC 1 rate is generally higher than the prior age-based rates, foster caregivers of newly placed foster children are receiving higher foster care payments with the implementation of Phase 1 of the HBFC payment rate structure than they would have under the pre-CCR payment rate structure. In Phase 2, the state will start using the LOC assessment tool to implement the full LOC-based HBFC foster care payment rate structure for all foster children. This will make the full range of LOCs available for foster children.

Phase 2 itself will be split into two stages. The first stage of Phase 2 was to be implemented in March 2018 for FFA-supervised foster children only (both new and existing FFA-supervised youth). The second stage of Phase 2 is then scheduled to be implemented in May 2018 for the rest of the HBFC placement types (kin caregivers and FFHs). The reason behind the two-stage implementation of Phase 2 relates at least in part to stakeholder concerns about the LOC assessment tool developed by DSS, outlined below.

Stakeholders have reported concerns around whether the LOC assessment tool developed by DSS to determine the foster care payment rates that foster caregivers are paid is reliable. These concerns arose after initial testing of the LOC assessment tool

was done on a sample of foster children in selected counties throughout the state. Stakeholders' concerns are at least threefold:

- Potential Bias Toward Lower LOC Levels. Stakeholders contend that the LOC assessment tool assigns foster children with elevated needs into inappropriately low LOC levels, resulting in lower foster care payment rates for their foster caregivers. During testing of the LOC assessment tool, the highest proportion of foster children received an LOC 1 determination, with decreasing proportions receiving higher LOC determinations until LOC 5, where there was an increase in the number of foster children receiving the highest LOC determination.
- Potential Lack of "Inter-Rater Reliability. Stakeholders are concerned about the objectivity of the LOC assessment tool insofar as different social workers using the tool may make different LOC determinations for the same foster child (a challenge referred to as inter-rater reliability).
- Uncertain Compatibility With Existing County SCI Determination Processes. As discussed earlier, certain counties provide SCIs for foster caregivers of children with elevated needs and have their own need-based SCI assessment processes that do not necessarily correspond to the state's new LOC assessment tool. Stakeholders are concerned that certain caregivers could see reductions in their overall foster care payment rates due to inconsistencies between the LOC and SCI assessment processes. Reductions in certain foster caregivers SCIs could potentially come about if counties begin using the LOC assessment tool to determine SCI levels and the LOC assessment tool results in a lower SCI determination than the previous, county-operated assessment process.

It was the intent of DSS to test the reliability of the LOC assessment tool as it is being implemented for FFA-supervised children during stage one of the LOC-based HBFC payment rate implementation beginning in March and ending in May.

**Phase Down of Group Homes and Replacement by STRTPs Are in Their Early Stages.** Group homes must end operations as congregate care providers or convert into STRTPs by January 1, 2019. To maintain operations past January 1, 2017, group homes have had to apply to DSS for temporary license extensions, which the department has so far generally granted. As of November 2017, there were 62 STRTPs that had received licensure from DSS, a requirement to begin STRTP operations and receive STRTP payments. All of these 62 operating STRTPs converted from group homes. These 62 operational STRTPs have a total license capacity of nearly 1,000 beds.

**Minimal Caseload Movement as of January 2018.** As of October 2017, around 5,000 foster children in both the CWS and probation systems remained in congregate care. The number of children residing in congregate care has been declining without interruption since 2003, long before the implementation of CCR. It is uncertain what portion of the decline in congregate care placements, if any, is attributable to CCR

efforts. Rates of caseload movement out of congregate care settings do not appear to be appreciably faster since CCR implementation largely began in 2017 than they were in 2016.

#### ADVOCACY PROPOSALS

Advocates represented on the panel will speak to advocacy proposals that have been submitted to the Subcommittee, described below.

The **County Welfare Directors Association of California (CWDA)**, the **California State Association of Counties (CSAC)**, and the **Service Employees International Union (SEIU)** have submitted the following proposals:

"We respectfully request your support to provide \$54.8 million State General Funds in 2018-19 to address county workload associated with the implementation of the Continuum of Care Reform (CCR) effort. Specifically, this funding is necessary to fund implementation activities required of county social workers to clear long backlogs in the Resource Family Approval (RFA) process, support these caregivers through the Level of Care rate setting process, and support individual child and youth assessments to promote positive outcomes.

AB 403 (Statutes of 2015) enacted significant changes in the child welfare program known as CCR, intended to reduce the use of congregate care and improve outcomes for foster youth. The CCR effort is designed to increase trauma-informed services and supports available to foster youth within in-home settings, and tailor these services to the unique needs of foster youth through child and family teaming. CCR includes several components designed to produce comprehensive changes, and counties are diligently working to implement these multi-pronged systemic changes. However, as with any large-scale effort, implementation challenges can arise, as they have with the Resource Family Approval process. And county staff have new workload demands which were unanticipated when AB 403 was originally passed yet are critical to CCR's success. This workload is described below.

**Resource Family Approval:** We are requesting \$8 million State General Funds (\$11 million total funds) in one-time funding to clear the backlog in RFA applications that has accumulated since counties began implementing the RFA process in January 1, 2017. All families who desire to provide home-based care to foster children are required to complete the RFA process, including relatives and non-related extended family members. The families complete steps including pre-approval training to enhance their capacity to care for foster children. Unfortunately, counties have experienced significant delays due in part to implementing a new process concurrently with many other changes under CCR. As a result, approvals are taking longer than expected, and in some counties, are taking several months to complete. RFA requirements were just recently streamlined by the State Department of Social Services (DSS) in February 2018, and this will help expedite

the process in the future. However, counties need immediate assistance to clear the backlog of applications that have built up since January 2017.

**Level of Care Assessments:** We are requesting \$8.8 million State General Funds (\$12.5 million total funds) for new county workload associated with Level of Care assessments. CCR changed the foster care rate-setting system from one solely based on the child's age to a tiered rate system based on the individual needs of foster youth as determined by a new Level of Care (LOC) protocol. The LOC protocol, a tool developed by DSS, is used by county child welfare social work staff to determine the rate that will be paid to resource families to meet the unique care needs of foster youth. This new LOC rate-setting process went into effect on March 1, 2018 for foster children entering care and placed with a Foster Family Agency. Phase II is expected to implement on May 1st. The funding request of \$8.8 million would be for the 2018-19 State Budget Year.

**Child and Adolescent Needs and Strengths (CANS) Assessments:** We are requesting \$38 million State General Funds (\$53 million total funds) for new county workload to implement an assessment tool as required by DSS. The CANS assessment aligns with the CCR work and will serve as the required mental health screening tool for all foster youth in care. CANS is designed to support placement decisions and care coordination through the Child and Family Team process and provides support to child welfare social workers for case planning. The Department of Health Care Services (DHCS) recently selected the CANS tool as part of the statutorily-required Performance Outcomes System to measure outcomes for all children receiving specialty mental health services. DSS chose the CANS and requires alignment with the DHCS implementation, which is scheduled to begin on July 1st and will be phased in for all counties effective January 1, 2019.

Workload support will ensure all foster children and youth receive a trauma-informed mental health screening and assessment of their strengths and needs that will allow Child and Family Teams, including child welfare social workers, mental health clinicians, care providers and others, to link the youth and family to the necessary services and supports that will lead to improved outcomes for youth. The CANS data will also provide data for state and county leaders to assess provider performance and tailor services to meet youth's needs.

County staff continue to work diligently to implement the multi-pronged approach of CCR. Individualized, comprehensive assessments, and availability of loving resource families, are both critical to this effort. We therefore respectfully request your support for this budget request. In addition, we believe other CCR-related budget requests merit your consideration."

The **County Welfare Directors Association of California (CWDA)**, **Children Now**, and the **County Behavioral Health Directors Association** have submitted the following proposal jointly:

"We are writing in support of the Family Urgent Response System, a \$15 million budget proposal in 2018-19 and \$30 million ongoing, to support foster youth and their caregivers. The purpose of this Response System is to provide foster youth and their caregivers with the immediate support they need during times of emotional crisis, and link youth and families to needed supports and services to help stabilize the situation. This Response System supports the goals of the Continuum of Care Reform (CCR) to provide timely, in-home supports and services to help families thrive.

Children and youth in the foster care system have often experienced trauma that manifests in behaviors that can become overwhelming to their caregivers. Caregivers may feel their only options are to contact law enforcement, which can result in the criminalization of foster youth. Caregivers may feel forced to give up their foster youth, which in turn leaves the youth feeling even more abandoned and traumatized. CCR envisions that all foster youth and caregivers receive immediate and timely supports and services regardless of the placement setting, to support long-term permanency and improved outcomes.

The Family Urgent Response System would provide current and former foster youth and their caregivers with immediate supports, by: (1) establishing a statewide, toll-free hotline available 24 hours a day, 7 days a week, for caregivers and youth who are experiencing emotional, behavior or other difficulties and need immediate help. The hotline will be staffed with operators trained in conflict resolution and de-escalation who will provide immediate assistance to help defuse the crisis and determine whether mobile, in-home support is needed; and (2) requires counties to establish mobile response teams to provide face-to-face, in-home response on a 24/7 basis to help stabilize the living situation, assess the caregiver's and child's needs and develop a plan of action. Counties will provide the family with ongoing services through the existing local network of care.

The Family Urgent Response System for foster youth and caregivers will help address traumatic experiences for foster youth, reduce law enforcement calls and needless criminalization of youth, and prevent placement disruption. By stabilizing placements, this will promote healing and bonding for foster youth and their caregivers and support the permanency goals as envisioned by CCR."

The **Alliance for Children's Rights** has submitted the following proposals and recommendations:

Acknowledging the action that was taken in the mid-year through AB 110 (described below in the Staff Comment section), the Alliance requests that the Legislature and

Administration work to improve the RFA process by developing trailer bill language to:

1. Grandfather in families who were approved as caregivers prior to RFA, so long as they had a placement in 2017, instead of requiring them to complete the conversion process;
2. Clarify that a youth can be placed with a relative or extended family member through a Voluntary Placement Agreement (VPA) when that relative or extended family member meets the standards of an approved relative under Welfare and Institutions Code section 361.4; and
3. Clarify that the months spent with a prospective legal guardian prior to that prospective legal guardian being approved as a resource family can satisfy the six-month eligibility rule to receive Kin-GAP funding to ensure exits to permanence are not delayed.

On the Level of Care Assessment Tool, the Alliance has provided the following feedback and proposals:

It is now clear that it is not possible for CDSS to complete the deliverables promised prior to the intended May 1 statewide implementation date. The study currently underway did not begin until mid-March and there will be very little data to review and almost no time to make necessary improvements by May 1. Due to the limited amount of time for the study, it has been limited to a review of reliability among users and there will be no attempt to study the accuracy of the LOC Protocol by May 1 or refine the LOC Protocol. Counties will not have time to make changes to their existing protocols and policies, train staff, develop notifications of changes, and inform families.

The FFA rollout provides ample opportunity to observe the LOC Protocol in action, evaluate its veracity, reliability and accuracy, and identify gaps that need to be addressed prior to statewide rollout. In the meantime, counties may train staff, update their own protocols and practices, and make adjustments and refinements prior to statewide rollout. DSS has not fulfilled its promised deliverables and more time needs to be allotted for these critical activities. Under the status quo, relatives, non-related extended family members and county homes lose nothing as they continue to have access to specialized care rates (which are not currently available in FFA placements). Disrupting the existing rates system without time to develop the new specialized rates plans and implementing the new LOC system before it is fully piloted will result in relatives and extended family members experiencing backlog, delay, and receiving erroneous assessments leading to placement disruptions and undue stress on families.

The Alliance encourages the Administration and Legislature to ensure the following occurs prior to moving forward with implementation of the LOC Protocol statewide:

1. Continue to pilot the LOC Protocol through a formal process to demonstrate reliability among users and expand the pilot to study its accuracy in assessing a child's needs.
2. Revise the LOC Protocol in response to the veracity and reliability studies.
3. Ensure that CDSS has issued final written guidance on how to revise county specialized care increment programs
4. Afford counties sufficient time to train staff and revise local practices and protocols.
5. Require that counties demonstrate readiness through certification that the county has hired and trained necessary staff, been afforded adequate time to make adjustments to their specialized care programs, finalized written procedures to implement LOC, and conducted necessary outreach to caregivers to inform them about the new rate system.

**STAFF COMMENT**

This is the second year of implementation of an enormously complicated effort to reduce reliance on group homes as permanent placement settings for children removed from their homes as result of abuse or neglect. Foster Family Recruitment, Retention, and Support and the provision of appropriate and customized mental health services for children are pillars for the ultimate success of the CCR. The adequacy of certain rates, the accuracy and reliability of assessment and rate-setting tools, and automation capabilities are a few of the many issues that impact the timeline and efficacy of the CCR.

Child welfare advocates and county partners have raised important questions and concerns that warrant careful attention in the current cycle as part of the Legislature's oversight. Delays in the Resource Family Approval process, adequacy and readiness of the Level of Care tool and rates, consistency in the application of the Specialized Care Increment, and the effective implementation of Child and Family Teaming are all areas for additional dialogue and problem-solving as the date for group home residential placement ceasing draws nearer, set at January 1, 2019 as part of the statutory framework that created the CCR.

Responding to critical concerns in the community for families with placed children not receiving payment, the Legislature and Administration passed AB 110 (Chapter 8, Statutes of 2018), approved by the Governor on March 13, 2018. AB 110 provided for payments to families caring for foster children who may not be currently receiving a payment due to delays with the Resource Family Approval (RFA) process. Some caregivers have gone without payment for well over 90 days. To remedy this situation,

AB 110 allows for payments to be made to families who are waiting for approval. Specifically, the recent legislation:

- Provides payments to cases that would qualify under the Approved Relative Caregiver Funding (ARC) Program on a prospective basis prior to resource family approval if the child has been placed with the caregiver.
- Provides Emergency Assistance (EA) TANF payments to nonrelative extended family members on a prospective basis prior to resource family approval if the child has been placed with the caregiver. The state will cover the counties' nonfederal share of these payment for up to 60 days.
- Provides that if a county can demonstrate good cause or submits a plan to eliminate its RFA backlog by September 1, 2018, the state will continue to cover the county's share of EA TANF costs up to an additional 60 days, through the end of June 2018.
- Provides that if a county does not demonstrate good cause or does not submit a plan to reduce the backlog, the county will be responsible for the nonfederal share of EA TANF costs after the initial 60 days, through the end of June 2018.

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**Staff Recommendation:**

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Hold open all issues in CCR until close-out hearings at the May Revision.

**ISSUE 3: FOSTER PARENT RETENTION, RECRUITMENT, AND SUPPORT (FPRRS) FUNDING  
ADVOCACY PROPOSAL****PANEL**

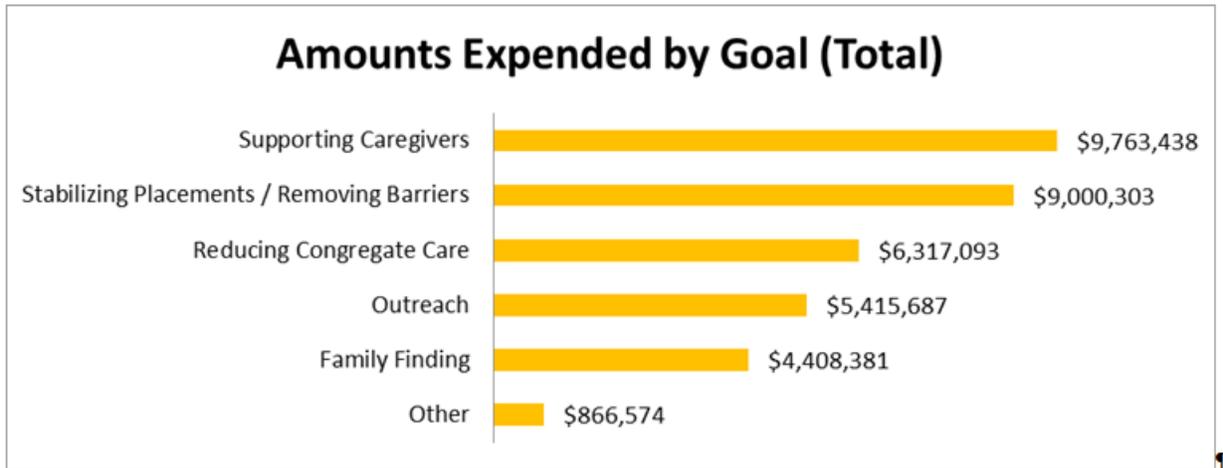
- Will Lightbourne, Director, Greg Rose, Deputy Director, Children and Family Services Division, and Sara Rogers, Branch Chief, Continuum of Care Reform, California Department of Social Services
- Joyce Hammerich, Redwood Empire Foster Parent Association, Sonoma County
- Susanna Kniffen, Senior Director, Child Welfare Policy, Children Now
- Justin Freitas, Department of Finance
- Ben Johnson, Legislative Analyst's Office
- Public Comment

**BACKGROUND**

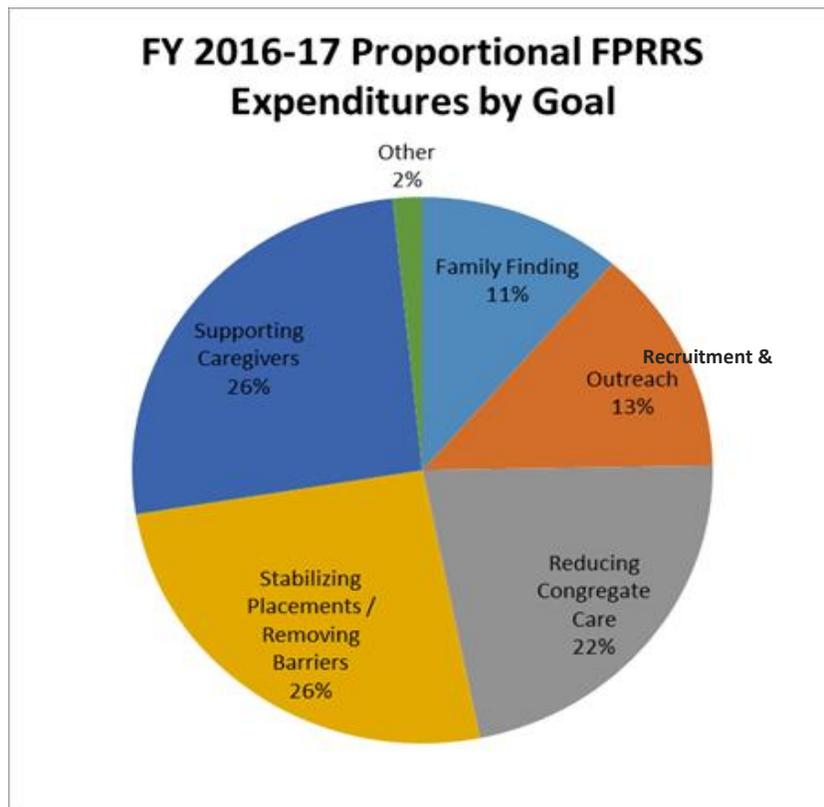
To meet the goals of the CCR, discussed in Item 2 of this agenda, programs were newly developed, including the Foster Parent Recruitment, Retention and Support (FPRRS) program. The funding was earmarked to (1) recruit, retain, and support caregivers and (2) reduce county reliance on group homes as long-term placements for children. This funding has been a fulcrum in many counties implementing CCR, affording the counties the necessary means to support caregivers immediately. The program implemented on July 1, 2015.

The 2017-18 funding for FPRRS was maintained at \$43.3 million General Fund. Funding for FPRRS is proposed at \$27.1 million total funds (\$21.6 million General Fund) for 2018-19. Of the \$27.1 million total funds in 2018-19, \$17.5 million total funds (\$13.9 million General Fund) is for Child Welfare Services and \$9.6 million total funds (\$7.8 million General Fund) is for probation departments.

The chart below, provided by DSS, reflects funds expended for specific activities related to the five major FPRRS goals. These amounts total \$35.77 million in funding, which counties reported spending during 2016-17. Note that when an activity addressed more than one goal, the amount expended for that activity was divided evenly between the goals addressed.



The following chart shows the proportion of reported FPRRS expenditures during 2016-17 in support of each of these five goals.



The chart on the following page displays the allocation per county for 2017-18.

County	FY 2017-18		Half year		FY 2017-18	
		Planning Allocation		Allocation		Qtr 1&2 Expenditures*
ALAMEDA	\$	1,408,463	\$	704,232	\$	55,858
ALPINE	\$	17,842	\$	8,921	\$	-
AMADOR	\$	56,278	\$	28,139	\$	8,369
BUTTE	\$	262,234	\$	131,117	\$	18,190
CALAVERAS	\$	78,198	\$	39,099	\$	3,759
COLUSA	\$	67,691	\$	33,846	\$	41,892
CONTRA COSTA	\$	892,721	\$	446,361	\$	426,844
DEL NORTE	\$	105,342	\$	52,671	\$	15,398
EL DORADO	\$	208,927	\$	104,464	\$	17,975
FRESNO	\$	1,170,693	\$	585,347	\$	179,274
GLENN	\$	143,127	\$	71,564	\$	28,896
HUMBOLDT	\$	223,158	\$	111,579	\$	75,772
IMPERIAL	\$	387,047	\$	193,524	\$	5,561
INYO	\$	49,564	\$	24,782	\$	10,669
KERN	\$	1,889,267	\$	944,634	\$	772,438
KINGS	\$	281,611	\$	140,806	\$	98,591
LAKE	\$	193,452	\$	96,726	\$	27,416
LASSEN	\$	77,034	\$	38,517	\$	2,650
LOS ANGELES	\$	13,086,115	\$	6,543,058	\$	5,685,344
MADERA	\$	204,676	\$	102,338	\$	37,475
MARIN	\$	191,691	\$	95,846	\$	107,232
MARIPOSA	\$	24,488	\$	12,244	\$	13,051
MENDOCINO	\$	223,635	\$	111,818	\$	28,584
MERCED	\$	453,490	\$	226,745	\$	166,546
MODOC	\$	46,563	\$	23,282	\$	9,895
MONO	\$	40,722	\$	20,361	\$	2,852
MONTEREY	\$	549,974	\$	274,987	\$	122,167
NAPA	\$	147,983	\$	73,992	\$	20,360
NEVADA	\$	79,671	\$	39,836	\$	18,839
ORANGE	\$	1,334,078	\$	667,039	\$	228,167
PLACER	\$	232,135	\$	116,068	\$	40,642
PLUMAS	\$	64,178	\$	32,089	\$	4,095
RIVERSIDE	\$	3,299,858	\$	1,649,929	\$	864,976
SACRAMENTO	\$	2,061,848	\$	1,030,924	\$	89,657
SAN BENITO	\$	88,096	\$	44,048	\$	519
SAN BERNARDINO	\$	3,318,304	\$	1,659,152	\$	324,003
SAN DIEGO	\$	2,136,125	\$	1,068,063	\$	544,859
SAN FRANCISCO	\$	955,863	\$	477,932	\$	142,398
SAN JOAQUIN	\$	1,037,490	\$	518,745	\$	221,484
SAN LUIS OBISPO	\$	381,711	\$	190,856	\$	43,637
SAN MATEO	\$	232,917	\$	116,459	\$	82,106
SANTA BARBARA	\$	476,611	\$	238,306	\$	269,990
SANTA CLARA	\$	946,092	\$	473,046	\$	87,452
SANTA CRUZ	\$	247,448	\$	123,724	\$	133,992
SHASTA	\$	350,405	\$	175,203	\$	-
SIERRA	\$	2,095	\$	1,048	\$	41,411
SISKIYOU	\$	102,586	\$	51,293	\$	62,320
SOLANO	\$	299,283	\$	149,642	\$	112,750
SONOMA	\$	575,169	\$	287,585	\$	74,907
STANISLAUS	\$	672,012	\$	336,006	\$	78,215
SUTTER	\$	91,415	\$	45,708	\$	41,037
TEHAMA	\$	165,656	\$	82,828	\$	1,422
TRINITY	\$	90,809	\$	45,405	\$	-
TULARE	\$	498,226	\$	249,113	\$	214,907
TUOLUMNE	\$	126,203	\$	63,102	\$	21,516
VENTURA	\$	536,553	\$	268,277	\$	305,254
YOLO	\$	193,747	\$	96,874	\$	19,363
YUBA	\$	181,430	\$	90,715	\$	12,081
<b>TOTAL</b>	<b>\$</b>	<b>43,260,000</b>	<b>\$</b>	<b>21,630,000</b>	<b>\$</b>	<b>12,065,057</b>

\*Expenditures are county expense claims, program codes 932, 934, 935, 939, 940, 941, 943

**ADVOCACY PROPOSAL**

The Subcommittee is in receipt of a funding proposal from a host of organizations, listed under this section, urging the Subcommittee to continue funding for the Foster Parent Retention, Recruitment and Support (FPRRS) program at its current level for 2018-19.

“Achieving the vision of the Continuum of Care Reform (CCR) requires recruiting and retaining resource families to support our foster youth. Decreasing this funding in the next fiscal year will negatively impact desperately needed retention and recruitment activities, and it will ultimately lead to disrupted placements and a lack of families to care for children in foster care.

In many counties, stakeholder input was gathered from caregivers to build very successful retention and recruitment programs. FPRRS funding has successfully established new supports that resource families rely upon. New recruitment programs are just starting to yield results. The progress made in many counties will be greatly undermined at this critical time of CCR implementation if funding is decreased.

Successful FPRRS programs include:

- Foster Parent Liaisons or Specialists to provide support and to connect caregivers with resources - lightening the burden on social workers.
- Respite Programs to assist caregivers in attending trainings, meetings and appointments, and to prevent caregiver burnout.
- Foster Parent Mentors to guide relatives through the Resource Family Approval (RFA) process, and for new caregivers when a foster child is first placed into their home.
- Foster Parent Support Groups to help caregivers access resources and process their experiences and challenges.
- Placement Specific Recruitment to find the right family for each child.
- Family Finding programs to locate familial connections for placement and permanency.
- High quality recruitment campaigns and programs.

As CCR implementation proceeds, some unintended consequences have created barriers for families to care for children. The RFA process has taken far longer than anticipated and has unintentionally led to thousands of relative families going without foster care payment for support. The FPRRS funding in many counties was diverted to provide stipends to relatives to address this crisis. We are deeply appreciative of the recent passage of AB 110 to temporarily remedy this situation and hope that a long-term solution is implemented. In some counties, FPRRS funding did not have the chance to achieve its intended purpose, as it was used to support relative families during the RFA process. FPRRS programs could not be fully funded or implemented as needed in these counties.

One example of a highly effective program is a Mentor Program in Sonoma County. When resource families are asked, 100% felt that this program has a positive effect on retention. Sonoma County resource families would like to grow this program and need FPRRS funding to achieve their goals. Del Norte County saw a nearly 500% increase in the number of homes by allowing a foster parent to design and help to implement a FPRRS plan. Del Norte County has also implemented a respite program, mentors, and a “one stop” orientation event.

Resource families need continued support in the form of foster parent liaisons, foster parent mentors, support groups, respite programs, and more. Children need continued placement-specific recruitment, family finding, high quality recruitment. The success of CCR depends on the retention, recruitment and support of loving families to care for abused and neglected children. Counties must have this necessary funding to continue to implement and expand successful retention, recruitment, and support programs that are just now gaining traction. Our respective organizations support the indefinite continuation of this program, with added measures to (1) require counties to obtain resource family input into their spending plans, (2) refine the recruitment focus to support best practices and (3) enhance accountability through improved reporting.”

The following organizations were signatories on this proposal:

- Alliance for Children’s Rights
- California Alliance of Caregivers
- California State Foster Parent Association
- Children Now
- County Welfare Directors Association
- Grandparents As Parents
- Foster Parent Alliance of Marin
- Fresno State Foster Parent Association
- Marin Foster Parent Association
- North San Diego County Foster Parents Association
- RaiseAChild
- Redwood Empire Foster Parent Association
- Santa Clara County Kinship, Adoptive & Foster Parent Association
- Solano County Resource Family Association
- Starfish Ministry
- Ventura County Foster Parent Association

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**Staff Recommendation:**

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Hold open.

**ISSUE 4: FOSTER YOUTH DEVELOPMENT AND DIVERSION ADVOCACY PROPOSAL****PANEL**

- Assemblymember Mike Gipson
- Frankie Guzman, Director California Youth Justice Initiative, National Center for Youth Law
- Shay Holliman, Outreach Worker/Community Organizer, Fathers and Families of San Joaquin
- Will Lightbourne, Director, Greg Rose, Deputy Director, Children and Family Services Division, and Sara Rogers, Branch Chief, Continuum of Care Reform, California Department of Social Services
- Justin Freitas, Department of Finance
- Ben Johnson, Legislative Analyst's Office
- Public Comment

**ADVOCACY PROPOSAL**

The Subcommittee is in receipt of a funding proposal from Assemblymember Mike Gibson and the National Center for Youth Law requesting a cumulative \$7.5 million for foster youth development and diversion, described in more detail below from their materials.

“In 2016, too many vulnerable foster youth were arrested by law enforcement officers for low-level offenses. A disproportionate number were children of color, girls, youth who identify as lesbian, gay, bisexual, transgender, or queer, and youth with disabilities. Youth in the foster care system, particularly those placed in congregate care, are especially vulnerable to being referred to law enforcement while in placement. Data showing congregate care facilities too often misuse law enforcement to respond to behavior that would otherwise be handled without law enforcement intervention are part of the research base underpinning for California’s Continuum of Care Reform (CCR). This proposal would fund a community-based infrastructure to divert vulnerable youth away from the justice system and secure confinement, provide training services to staff and law enforcement working with vulnerable youth populations, and deliver trauma-informed, developmentally-appropriate programs in their communities proven effective at promoting positive development, community health, and public safety.

An investment of \$7,575,000 will allow California to create a community-based foster youth development system that is both socially and fiscally responsible by treating children accused of low-level offenses appropriately for their age, in community settings, with an emphasis on health and wellbeing. Investments would fund nonprofits and community organizations to: (1) provide trauma-informed, culturally-relevant training to law enforcement and professionals interacting with vulnerable youth populations; and (2) collaborate with public agencies to expand local youth diversion programs and

deliver developmentally-appropriate services in under-served communities statewide, including expanding the capacity to serve youth in families rather than in congregate care.

Training to professionals interacting with youth should include adolescent development principles, de-escalation techniques, culturally relevant and trauma-informed interventions, and evidence-based interventions. Community-based services for children and youth in out-of-home care should include, education (academic and vocational); mentoring (authentic, lived experience); extracurricular activities and supports such as art, music, civic engagement, and sports; behavioral health (Aggression Reduction Therapy and Multi Systemic Therapy); and mental health (mindfulness and self-awareness) services.

[The goal of the proposal is to divert] arrests of foster youth from group homes and shelters from justice system referrals, detention, and secure confinement. An allocation of \$7,575,000 annually for three years to the counties with the facilities making the most calls to law enforcement in the state or with significant numbers of foster youth in group care crossing over to the delinquency system to (1) provide training to local law enforcement, group home, and shelter staff; (2) provide services for children in group homes and shelters delivered by public and private agencies, and non-law enforcement community-based organizations focused on promoting health and youth development. Additionally, the provision of specific community-based supports and services can reduce the use of group and shelter care for this population and can allow youth to live in the least restrictive environment.

Children in the foster care system, particularly those placed in group care, are especially vulnerable to crossing over to the delinquency system. Foster youth placed in group care should receive the highest level of care and supervision designed to return them immediately to a family and to their community. This level of care is not met when foster care facilities rely on law enforcement to intervene for behavior management purposes. Law enforcement intervention in congregate care is too frequently a result of facility inability to provide appropriate care and supervision or a facility culture that relies on the justice system as a punishment or consequence for normal teenage behavior.

California group homes and shelters call law enforcement on vulnerable youth in their care at astoundingly high rates. In 2016, of the 6,217 non-mandated calls statewide for youth behavior, 60% were for behavioral health emergencies, property damage, substance abuse, and theft. The calls resulted in 435 youth being cited, 527 youth being detained or arrested, and another 319 youth being booked into juvenile hall. In the 2016 annual report on dual status youth in Los Angeles, almost 40% of foster youth who crossed over into the delinquency system were residing in group care at the time of the delinquency referral.

Many congregate care facilities rely on law enforcement as the primary behavior management response to minor incidents causing no injuries. For example, foster youth have been arrested for a food fight with cake icing and charged with inciting a riot. In

another instance, a child who poked a caregiver with a candy cane was arrested for assault with a deadly weapon. In yet another case, a child was charged with battery and booked into juvenile hall after hitting someone with a package of hot dog buns. (See “Dubious Arrests, Damaged Lives” San Francisco Chronicle, May 18, 2017.) The facilities that disproportionately call law enforcement incorporate calling the police into their systems for discipline by using law enforcement as a scare tactic, juvenile hall as a time out, and the justice system as punishment. In one Orange County shelter, armed sheriff’s officers are stationed on-site at all hours. In San Joaquin County (SJC), located in California’s Central Valley, Mary Graham Children’s Shelter called police over 5,000 times in 2015 and 2016, accounting for half of shelter arrests, citations, and juvenile hall bookings statewide. On average, Mary Graham sent children to juvenile hall twice a week. These children were disproportionately Black and girls.

Relying on police to deal with foster youth behavior pushes our most vulnerable children into the juvenile justice system at the time when they most need trauma-informed, culturally-relevant care. Similarly, probation supervised foster youth residing in group homes are pushed into detention and other secure placements. Childhood trauma and juvenile detention both dramatically increase a child’s risk of adult incarceration. Foster children have experienced trauma and locking them up further harms them, increasing their chances of later justice system involvement. Additionally, foster youth in the delinquency system lose valuable child welfare services. Social workers, foster homes, and services for parents that could help families reunite, like drug treatment, domestic violence education, and parenting classes, are not available to foster youth in the justice system.”

The advocates state that the proposal’s funding will develop community based diversion programs and provide training to group care staff in the 50 facilities that make over 100+ calls to law enforcement a year or counties with significant numbers of foster youth who crossover to the delinquency system while residing in group care, and provide training to local law enforcement in those areas. They state that cost savings could be experienced through reductions in law enforcement responses to youth for low-level offenses, court caseloads and processing, days youth spend in detention, school and placement disruptions, and facility staff turnover due to high levels of stress and conflict related to caring for traumatized youth. Furthermore, cost savings could be experienced through improvements in youths’ health and wellbeing, school and community stability, educational attainment, and employment opportunities.

<b>Table A. Alternatives to Law Enforcement Calls for Foster Youth Facilities in 16 counties made more than 100 calls to law enforcement<sup>vi</sup></b>	
# Foster Care Facilities with over 100 total law enforcement calls <sup>vi</sup>	50
Costs to Train 300 staff	\$300k
Estimated cost to train 50 facilities and LE	\$2m
After 75% federal match of funds for training	\$500k
Cost for evaluation	\$75k
<b>Total Annual State General Funds</b>	<b>\$575k</b>

<b>Table B. Services for Foster Youth</b>	
# foster youth arrests in 2016	772
# youth in out of home placement probation	1,821
<b>Total youth</b>	<b>2,593</b>
Cost to serve 120 youth/year <sup>vii</sup>	\$300k
Estimated Cost to serve 2,600 youth in care	\$6.5m
Program Evaluation Estimate	\$500k
<b>Total Annual State General Funds for (2,600 youth)</b>	<b>\$7m</b>

The following organizations are also supportive of the above proposal:

- California CASA Association
- Child Welfare Directors Association
- Center for Council
- Child and Family Policy Center
- Children Now
- Children's Law Center
- Communities United For Restorative Youth Justice
- Fathers and Families of San Joaquin
- First Place for Youth
- John Burton Advocates for Youth
- Journey House
- Juvenile Law Center
- Los Angeles LGBT Center
- MILPA (Motivating Individual Leadership for Public Advancement) Collective
- The W. Haywood Burns Institute
- Youth Justice Coalition
- Voices for Utah Children
- Voices for Ohio Children

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**Staff Recommendation:**

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Hold open.

**ISSUE 5: EXTENDED FOSTER CARE ADVOCACY PROPOSAL****PANEL**

- Assemblymember Mike Gipson
- Ahmadia Fuller, Nonminor Dependent
- Sabrina Forte, Youth Justice Fellow, Bay Area Legal Aid
- Will Lightbourne, Director, Greg Rose, Deputy Director, Children and Family Services Division, and Sara Rogers, Branch Chief, Continuum of Care Reform, California Department of Social Services
- Justin Freitas, Department of Finance
- Ben Johnson, Legislative Analyst's Office
- Public Comment

**ADVOCACY PROPOSAL**

The Subcommittee is in receipt of a funding proposal from Assemblymember Mike Gibson, joined by the Alliance for Children's Rights, the California Coalition for Youth, Children's Law Center of California, and Tipping Point Community. The request is described below, from the Assemblymember.

I respectfully request a budget increase of \$1.7 million General Fund to Extended Foster Care to ensure youth in need of transitional services are able to access needed services. Foster youth face greater challenges in their lives, from placement instability to completing their education to finding stable employment and housing upon entering adulthood. The transition period from age 18 to 21 can be one of the most difficult, which AB 12 (Beall) sought to impact by creating the Extended Foster Care program.

The services provided under AB 12 help stabilize the lives of foster youth who enter adulthood and need a helping hand. However, several specific vulnerable youth populations are left out of being able to access these services through circumstances outside their control. Our goal must be to ensure every foster youth is provided for and has an opportunity to access the services that they need to thrive.

Specifically, I am requesting additional funds to allow youth to:

*Enter Extended Foster Care –*

- This proposal would allow a youth, who has been found to be in need of a temporary foster care placement and was in that placement on his or her 18th birthday, to be eligible to be formally "declared" a foster youth after turning 18.
  - This proposal clarifies that a court shall not dismiss a dependency petition filed while the youth is a minor solely because the youth has turned 18. It also ensures that this small group of youth is not penalized because they have turned 18 before the final adjudication of their petition. These youth would then be able to access critical foster youth support services IF the court subsequently adjudicates and declares the youth a dependent and makes specified findings.
- This proposal would provide accompanying due process rights for the youth so that they can appeal a juvenile court's erroneous dismissal of their dependency petition after their 18th birthday.

- This also ensures due process for youth who turn 18 while an appeal of a juvenile court's dismissal order is pending by preserving juvenile court jurisdiction. In *In re David B.*, the youth challenged the juvenile court's dismissal of his dependency petition. The Court of Appeal reluctantly deemed the appeal moot without any determination on the merits because the youth had turned 18 while the appeal was pending. The Court of Appeal reasoned that it could not provide effective relief because David had turned 18 and the juvenile court had lost jurisdiction. The Court concluded "any error by the juvenile court in failing to assume dependency jurisdiction over David B. is effectively unreviewable." (*In re David B.* (2017) 12 Cal.App.5th 633.)

*Re-enter Extended Foster Care –*

- Under current law, former foster youth are not able to enter extended foster care if their adoptive parents or legal guardians are no longer supporting them. This proposal also ensures that foster youth receiving SSI can re-enter extended foster care.
  - This provision addresses the situation where youth, who are adopted or under a dependency legal guardianship, are prevented from accessing extended foster care services because their adoptive parent or legal guardian continues to receive Adoption Assistance Payments (AAP) or Kin-GAP funding but no longer financially supports the youth. This proposal would allow youth in this uncommon, but dire, circumstance to appear before a juvenile court that can assess their need for extended foster care, without forcing them to wait until the AAP or Kin-GAP funds to the adoptive parent/legal guardian are terminated.
  - As the court in *In re Jesse S.* noted, "the Legislature probably did not intend a former foster youth's re-entry in the dependency system to depend on the glacial bureaucratic processes which govern termination of AAP payments to adoptive parents no longer supporting adopted ex-foster care youth." (*In re Jesse S.* (2017) 12 Cal.App.5th 611, 614.)

By request, the LAO issued Extended Foster Care caseload and cost projections under these proposed eligibility changes. The LAO estimated a range with a high-end amount of \$1.7 million General Fund that would be necessary to care for these youth. This budget increase will help approximately 50 to 120 foster youth who fall through the cracks and are unable to access the services they desperately need and deserve. Please see a copy of the LAO memorandum attached for your reference.

The aforementioned memo from the LAO contains additional details that led to the building of the estimate included in this proposal.

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**Staff Recommendation:**

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Hold open.

**ISSUE 6: DESIGNATED COACHES FOR RESOURCE FAMILIES ADVOCACY PROPOSAL****PANEL**

- Michelle Evans, Student, McGeorge School of Law Legislative and Policy Clinic
- Keri Firth, Student, McGeorge School of Law Legislative and Policy Clinic
- Will Lightbourne, Director, Greg Rose, Deputy Director, Children and Family Services Division, and Sara Rogers, Branch Chief, Continuum of Care Reform, California Department of Social Services
- Justin Freitas, Department of Finance
- Ben Johnson, Legislative Analyst's Office
- Public Comment

**ADVOCACY PROPOSAL**

The Subcommittee is in receipt of a funding proposal from Assemblymember Brian Maienschein, in a joint effort with students of the McGeorge School of Law Legislative and Public Policy Clinic.

The request is for \$4.75 million for the implementation of a 2-year resource family coaching pilot project in 3-5 counties in the State of California. The proposal states that this pilot will allow 20 qualified workers to be trained as coaches and provide designated support specifically to kinship and foster families ("Resource Families") for two years to improve foster parent retention and support, improve stability and permanency for foster youth, and provide a report to the Legislature at the end of the pilot to detail the outcomes of improving foster parent retention and placement stability.

The \$4.75 million cost includes:

\$4,000,000 (salary for 20 coaches for 2 years)  
 \$70,000 (training for 20 coaches)  
 \$12,000 (on-going training)  
 \$96,000 (peer led support groups for 2 years)  
 \$300,000 (1.5 employees for DSS program development, oversight and supervision for 2 years)  
 \$72,000 (travel budget for two years for DSS monthly oversight and supervision of coaches)  
\$200,000 (report to the Legislature)  
 \$4,750,000

Currently, resource families receive a minimum of 12 hours of pre-placement training before having a child placed in their home, and a minimum of 8 hours of annual training thereafter. After the pre-placement training and the family has a child placed in their home, the level of support they receive for care of the child varies greatly. Without

support immediately upon placement, and a rapid support when challenges arise, families are often forced to make the difficult decision of requesting a 7-day notice for the child to be removed from their home.

Coaching services provided to resource families at the outset of the placement will give much needed support to help prevent crises by developing a plan for success from the beginning, provide rapid support when problems do arise, and will prevent the need for 7-day notices and emergency removals. Workers assigned as designated coaches to resource families will have the primary role to coach and assist resource families with bonding and attachment, behavioral challenges, working with biological families, and effective participation in child and family teams.

Resource families are the most valuable asset in the child welfare system, costing the state approximately \$25,000 per family that becomes licensed. Providing designated coaches for resource families will help secure a return on this investment in families by way of retention of resource families, and improve outcomes for children and families.

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**Staff Recommendation:**

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Hold open.

**ISSUE 7: BUDGET CHANGE PROPOSALS (BCPs) FOR CHILD WELFARE SERVICES (CWS) IN THE GOVERNOR'S BUDGET****PANEL**

- Will Lightbourne, Director, Greg Rose, Deputy Director, Children and Family Services Division, Dave McDowell, Chief, Children's Services and Operations Branch, and Sara Rogers, Branch Chief, Continuum of Care Reform, California Department of Social Services
- Justin Freitas, Department of Finance
- Ben Johnson, Legislative Analyst's Office
- Public Comment

**GOVERNOR'S BUDGET PROPOSAL**

The Governor's Budget includes the following two Budget Change Proposals (BCPs) for Child Welfare Services (CWS), requesting state operations support. The BCPs are publicly available at the Department of Finance website, [www.dof.ca.gov](http://www.dof.ca.gov).

- **BCP for Child Welfare Services Case Reviews Oversight Assistance.** The Governor's Budget proposes 9.0 positions and \$1,131,000 to increase safety, permanency, and well-being outcomes for children and families with the probation, foster care, and child welfare system. According to the Administration, the requested resources will enable DSS to increase coordination with and provide technical assistance to counties to develop or improve county mental and physical health services for vulnerable children ages 0-5 and their families; and to conduct required qualitative case reviews for rural child welfare and probation agencies who have been unable to conduct their own reviews.
- **BCP for Psychotropic Medication Oversight in Foster Care.** The Governor's budget proposes two years of funding, \$702,000 per year, to support the equivalent of 6 positions. The Administration states that the requested funding is necessary in order to meet the mandate of SB 484 (Chapter 540, Statutes of 2015) and ensure the increased oversight of psychotropic medication continues.

**STAFF COMMENT**

As of the time of this writing, no issues have been raised with these BCPs.

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**Staff Recommendation:**

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Hold open.

**ISSUE 8: COMMUNITY CARE LICENSING – PROGRAM AND BUDGET REVIEW****PANEL**

- Pat Leary, Chief Deputy Director, and Pam Dickfoss, Deputy Director Community Care Licensing, California Department of Social Services
- Justin Freitas, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

**BACKGROUND**

The Community Care Licensing (CCL) Division in the Department of Social Services (DSS) oversees the licensure or certification of approximately 72,000 licensed community care facilities that include child care, children's residential, adult and senior care facilities, and home care services. CCL is responsible for protecting the health and safety of individuals served by those facilities. Approximately 565 licensing program analysts investigate any complaints lodged, and conduct inspections of the facilities.

Current year funding is displayed in the chart below:

California Department of Social Services  
Community Care Licensing Division  
Fiscal Year 2017-18 Funding

		2017-18*
	State Operations Total (\$000s):	\$154,957
	GF	\$69,168
	FF	\$47,891
	Reimb.	\$6,496
	Special Funds:	\$31,402
0163	Continuing Care Provider Fee Fund	\$938
0270	Technical Assistance Fund	\$19,999
0271	Certification Fund	\$1,590
0279	Child Health And Safety Fund	\$3,272
3255	Home Care Fund (AB 1217)1	\$5,603

The table on the following page lists the facilities licensed by CCL.

Facility Type	Description
<b>Child Care Facilities</b>	
Family Child Care Home	Provides care, protection and supervision of children, in the caregiver's own home, for periods of less than 24 hours per day, while the parents or authorized representatives are away.
Child Care Center	Provides care, protection and supervision of children in a group setting, usually in a commercial building, for periods of less than 24 hours per day. Includes infant centers, preschools, extended day care facilities, and school age child care centers
<b>Children's Residential Facilities</b>	
Adoption Agency	Nonprofit organizations licensed to assist families with the permanent placement of children with adoptive parents.
Community Treatment Facility	24-hour mental health treatment services for children certified as seriously emotionally disturbed with the ability to provide secure containment.
Crisis Nursery	Short-term, 24-hour non-medical residential care and supervision for children under 6 years of age, who are placed by a parent or legal guardian due to a family crisis or a stressful situation, for no more than 30 days.
Enhanced Behavioral Supports Home (Group Home)	24-hour nonmedical care, in a residential facility or group home, for individuals with developmental disabilities requiring enhanced behavioral supports, staffing, and supervision in a homelike setting.
Foster Family Agency	Organizations that recruit, certify, train and provide professional support to foster parents and Resource Families; and identify and secure out-of-home placement for children.
Group Homes	24-hour non-medical care and supervision provided to children in a structured environment
Out of State Group Home	24-hour non-medical care provided to children in out-of-state group homes identified by counties to best meet a child's specific and unique needs.
Runaway and Homeless Youth Shelter (Group Home)	Provides voluntary, short-term, shelter and personal services to runaway or homeless youth.
Short Term Residential Therapeutic Program	Provides short-term, specialized, and intensive therapeutic and 24-hour non-medical care and supervision to children.
Foster Family Home	A home where a licensed foster parent provides care for six or fewer foster children.
Small Family Homes	A residential facility that provides 24-hour care licensee's home for 6 or less children, who have mental disorders or developmental or physical disabilities.
Transitional Housing Placement Provider	Provides supervised transitional housing services to foster children who are at least 16 years old to promote their transition to adulthood.
Certified Family Homes	Foster parents certified by foster family agencies to provide care for six or fewer foster children in their own home.
Resource Family Home	Individual or family that meets both the home environment assessment and the permanency assessment criteria necessary for providing care for a child who is under the jurisdiction of the juvenile court, or otherwise in the care of a

Facility Type	Description
	county child welfare agency or probation department.
Temporary Shelter Care Facilities	Owned and operated by the county or by a private, nonprofit agency on behalf of a county providing 24-hour care for no more than 10 days for children under 18 years pending placement.
Transitional Shelter Care Facilities	County owned and operated (or non-profit organization under contract with the County) facilities providing short term non-medical care for children to a maximum of 72 hours pending placement.
Private Alternative Outdoor Programs	A group home operating a program to provide youth with 24-hour, nonmedical, residential care and supervision, which provides behavioral-based services in an outdoor living setting to youth with social, emotional, or behavioral issues.
Private Alternative Boarding Programs	A group home operating a program to provide youth with 24-hour, nonmedical, residential care and supervision, which, in addition to providing educational services to youth, provides behavioral-based services to youth with social, emotional, or behavioral issues.
<b>Adult &amp; Senior Care Facilities</b>	
Adult Day Programs	Community based facility/program that provides care to persons 18+ years old in need of personal services, supervision, or assistance essential for sustaining activities of daily living or for the protection of these individuals on less than a 24-hour basis.
Adult Residential Facilities (ARF)	24-hour non-medical care and supervision for adults, either 18-59 years old or 60+ years old.
Adult Residential Facility for Persons with Special Healthcare Needs	Any adult residential facility that provides 24-hour health care and intensive support services in a homelike setting that is licensed to serve up to five adults with developmental disabilities.
Community Crisis Homes (ARF)	A facility that operates as an adult residential facility providing 24-hour non-medical care to individuals with developmental disabilities receiving regional center service, in need of crisis intervention services, and who would otherwise be at risk of admission to an acute crisis center, at a maximum capacity of eight (8) clients.
Continuing Care Retirement Communities (RCFE-CCRC)	A Residential Care Facility for the Elderly that offers a long-term continuing care contract; provides housing, residential services, and nursing care.
Enhanced Behavioral Supports Home (ARF)	A facility that operates as an adult residential facility providing 24-hour non-medical care to individuals with developmental disabilities who require enhanced behavioral supports, staffing, and supervision in a homelike setting, at a maximum capacity of four (4) clients.
Residential Care Facilities for the Chronically Ill	A facility that provides care and supervision to adults who have a terminal illness, AIDS or HIV.
Residential Care Facilities for the Elderly (RCFE)	A residential home for seniors aged 60 and older who require or prefer assistance with care and supervision. RCFEs are also known as Assisted Living facilities, retirement homes and board and care homes.
Social Rehabilitation Facilities	A facility that provides 24-hour-a-day non-medical care and supervision in a group setting at a total capacity that shall not exceed 16 adults recovering from mental illnesses who temporarily need assistance, guidance, or counseling.

In January 2017, CCL had 1,266 authorized positions and 142 vacancies.

**Background Checks.** Applicants, licensees, adult residents, and employees of community care facilities who have client contact must receive a criminal background check. An individual submits fingerprint imaging to the California Department of Justice (DOJ). The Caregiver Background Check Bureau, within CCL, processes and monitors background checks. If an individual has no criminal history, DOJ will forward a clearance notice to the applicant or licensee and to the Caregiver Background Check Bureau. If an individual has criminal history, DOJ sends the record to the Bureau, where staff reviews the transcript and determines if the convictions for crimes may be exempt. For individuals associated with a facility that cares for children, an additional background check is required through the Child Abuse Central Index.

**Continuum of Care Reform.** As discussed under Issue 2, AB 403 (Stone), Chapter 773, Statutes of 2015, is a multi-year effort to reduce the reliance on group home placements and develop a more robust supply of home-based family settings for foster youth, while providing families with the resources necessary to support foster youth as much as possible. In support of the CCR, the Children's Residential Program drafted or assisted with the drafting of two regulatory packages providing the framework for Foster Family Agencies and Short Term Residential Therapeutic Programs, four versions of written directives guiding the implementation of the Resource Family Approval (RFA) Program, conducted 10 orientations with provider groups on these new requirements and continued to support the 13 early implementing RFA counties through technical assistance and monitoring visits.

**Home Care Services Consumer Protection Act.** AB 1217 (Lowenthal), Chapter 70, Statutes of 2013, requires DSS to regulate Home Care Organizations and provide for background checks and a registry for affiliated Home Care Aides, as well as independent Home Care Aides who wish to be listed on the registry. This implemented on January 1, 2016.

**Facility licensing practices and requirements.** All facilities must meet minimum licensing standards, as specified in California's Health and Safety Code and Title 22 regulations. Approximately 1.4 million Californians rely on CCL enforcement activities to ensure that the care they receive is consistent with standards set in law.

DSS conducts pre- and post-licensing inspections for new facilities and unannounced visits to licensed facilities under a statutorily-required timeframe. The adopted 2015 proposal increased the frequency of inspections from at least once every five years to at least once every three years or more frequently depending on facility type. These reforms go into effect incrementally through 2018-19, and as of January 2017, DSS has implemented the required increased visit protocol. Below is a table showing the ramp up of inspections by facility type:

**Inspection Frequency: Prior Law and As Enacted in the 2015 Budget**

Facility Type	Prior Law	As Enacted in the 2015 Budget		
		Stage 1: January 2017	Stage 2: January 2018	Stage 3: January 2019
	<b>Inspections must occur at least once every . . .</b>			
<b>Child care facilities</b>	5 years	3 years	3 years (unchanged from stage 1)	3 years (unchanged from stage 1)
<b>Children's residential care facilities</b>	5 years	3 years	2 years	2 years (unchanged from stage 2)
<b>Adult and senior care facilities</b>	5 years	3 years	2 years	1 year

**Key Indicator Tool.** After various changes in 2003, and because of other personnel reductions, CCL fell behind in meeting the visitation frequency requirements. In response, DSS designed and implemented the key indicator tool (KIT), which is a shortened version of CCL's comprehensive licensing inspection instruction, for all of its licensed programs. The KIT complements, but does not replace, existing licensing requirements. A KIT measures compliance with a small number of rules, such as inspection review categories and facility administration and records review, which is then used to predict the likelihood of compliance with other rules. Some facilities, such as facilities on probation, those pending administration action, or those under a noncompliance plan, are ineligible for a key indicator inspection and will receive an unannounced comprehensive health and safety compliance inspection.

CCL contracted with the California State University, Sacramento, Institute of Social Research (CSUS, ISR) to provide an analysis and recommendations regarding the development and refinement of the KIT, as well as a workload study. The findings of the KIT analysis focused on various iterations and refinement of three versions of the KIT, and to some extent found that the third version was most effective in identifying the need for further inspections for half of the facility types. The workload study concluded that CCL will need 630 LPAs to cover the increased workload through 2018, and 678 LPAs to fully staff the changes that take place beginning 2019.

Last year, the Legislature approved Supplementary Reporting Language that required the department to meet with legislative staff and stakeholders to discuss the KIT analysis and current status of inspections, and to provide a report on the long-term plan for the use of the KIT. A meeting with the department in the summer of 2017 revealed that they were in the early stages of designing a new, comprehensive inspection tool, informed by the KIT analysis. In September 2017 the department released a report detailing its planned approach for a new tool. This is discussed in more detail further into this Issue.

The chart below summarizes the total and type of inspections conducted in licensed facilities and how many inspections utilized the Key Indicator Tool (KIT) verses comprehensive inspections triggered after initiation of a KIT visit.

<b>CCL Inspections in All Facilities By Type of Inspection and Protocol Fiscal Year 2016-17</b>			
<b>Type of Inspection<sub>1</sub></b>	<b>Total Number of Inspections</b>	<b>Percentage of inspections utilized the Key Indicator Tool (KIT)</b>	<b>Percentage of inspections that utilized the KIT triggered a comprehensive inspection</b>
Annual Required Inspection	6,762	5,935 (87.8%)	1,148 (19.3%)
Random Inspection	22,163	21,260 (95.9%)	1,828 (8.6%)
Required Five-Yr. Visit <sub>1</sub>	667	541 (81.1%)	201 (37.2%)
Required Three-Yr. Visit <sub>2</sub>	1,853		

*1 - In January 2017 the inspection protocol changed from 5 Years to 3 Years*

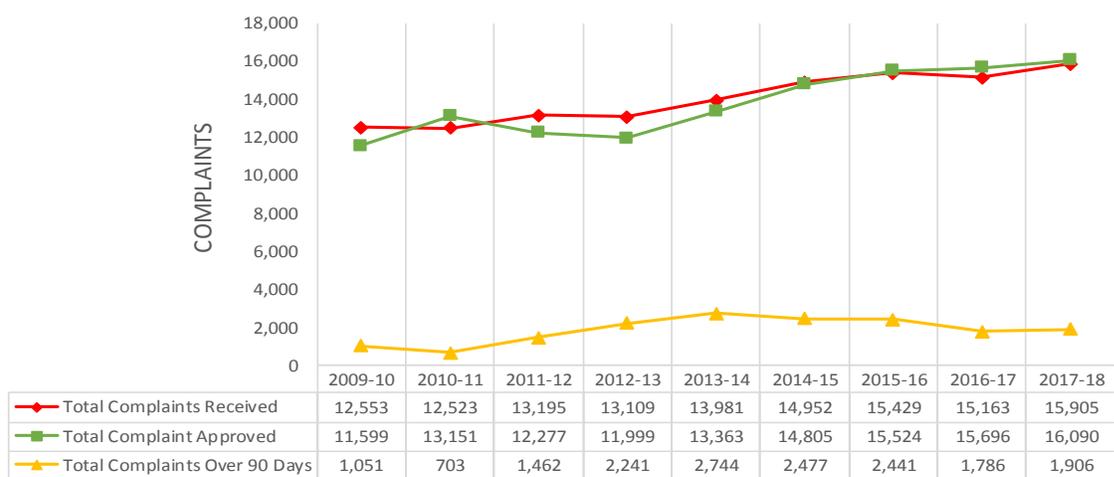
*2 - Data for comprehensive and triggered comprehensive inspections for Required 3 Year Inspections were not collected by FAS from January – July 2017.*

**Complaints.** Complaints are handled at regional offices. Licensing analysts, who would otherwise be conducting inspections, stay in the regional office two times a month, to receive complaint calls and address general inquiries and requests to verify licensing status from the public. CCL is required to respond to complaints within 10 days. During 2016-17, CCL received over 15,000 complaints. The information below provides an analysis of DSS' complaint activity for the years of 2009-10 through 2017-18.

<b>COMMUNITY CARE LICENSING DIVISION COMPLAINT ANALYSIS 2009 - 2017</b>						
<b>Fiscal Year</b>	<b>Total Complaints Rolled Over From Prior Year(s)</b>	<b>Total Complaints Received</b>	<b>Total Complaints Received + Prior Year(s) Rollover</b>	<b>Total Complaint Approved</b>	<b>Current Year Net Loss/gain</b>	<b>Total Complaints Over 90 Days</b>
2009-10	2,508	12,553	15,061	11,599	3,462	1,051
2010-11	3,462	12,523	15,985	13,151	2,834	703
2011-12	2,834	13,195	16,029	12,277	3,752	1,462
2012-13	3,752	13,109	16,861	11,999	4,862	2,241
2013-14	4,862	13,981	18,843	13,363	5,480	2,744
2014-15	5,480	14,952	20,432	14,805	5,627	2,477
2015-16	5,627	15,429	21,056	15,524	5,532	2,441
2016-17	5,532	15,163	20,695	15,696	4,999	1,786
2017-18 <sub>1</sub>	4,999	15,905	20,904	16,090	4,814	1,906

*1 - Projection based on data from July 2017 to January 2018*

## CCLD COMPLAINT TREND ANALYSIS 2009 - 2017



2017-18 Projection based on data from July 2017 to

**Licensing Fees and Penalties.** Licensed facilities must pay an application fee and an annual fee, which is set in statute. The revenue from these fees is deposited into the Technical Assistance Fund (TAF) and is expended by the department to fund administrative and other activities in support of the licensing program. In addition to these annual fees, facilities are assessed civil penalties if they are found to have committed a licensing violation. Civil penalties assessed on licensed facilities are also deposited into the TAF, and are required to be used by the department for technical assistance, training, and education of licensees.

**Budget Actions.** In 2014-15, the budget included \$7.5 million (\$5.8 million General Fund) and 71.5 positions for quality enhancement and program improvement measures. In 2015-16, the budget included an increase of 28.5 positions (13 two-year limited-term positions) and \$3 million General Fund in 2015-16 to hire and begin training staff in preparation for an increase in the frequency of inspections for all facility types beginning in 2016-17. In 2016-17, in order to further comply with the increased frequency of inspections including annual random inspections, and various other legislative requirements related to caregiver background checks, licensing and registration activities, and appeals and Residential Care Facility for the Elderly (RCFE) ownership disclosure, the budget includes new funding of \$3.7 million General Fund for 36.5 positions. In 2017-18, an additional \$3.3 million from the Technical Assistance Fund (TAF) was approved to help complete timely complaint allegations, address the growing backlog of RCFE and Adult Residential Facilities (ARF), continue implementation efforts related to the RCFE Reform Act of 2014, and 5.5 permanent LPAs and one-half Attorney III.

**Development of New Inspection Tools.** CCL conducts pre- and post-licensing inspections for new facilities and unannounced visits to licensed facilities under a statutorily-required timeframe. Prior to 2003, these routine visits were required annually for almost all facilities. In 2003, budget cuts resulted in significantly reduced funding for CCL. By 2010, the cuts had taken a toll and CCL fell behind in meeting visitation

frequency requirements. In an effort to increase the number of routine inspections CCL could perform each year, DSS proposed moving from the comprehensive inspections required by state law to the use of a key indicator tool (KIT). The KIT was proposed to be a standardized, shortened protocol for measuring compliance with a small number of rules. Under the proposal, if the KIT inspection revealed concerns, a comprehensive visit would be triggered.

Since that time, the department implemented the KIT for inspections of its licensed programs. CCL also contracted with the California State University, Sacramento, Institute of Social Research (CSUS, ISR) to provide an analysis and recommendations regarding the development, refinement, and validation of the KIT. The findings of the reports focus on three iterations of the KIT, and to some extent point to the third KIT as the most effective in identifying the need for further inspections for half of the facility types. However, there were no definitive findings as to whether the use of the KIT ultimately saves time and allows for more inspections to take place, nor was there a comparison of the KIT to the traditional comprehensive inspection. Further, it was revealed that there was no standardized statewide tool for the comprehensive inspection; LPAs draw upon their own knowledge of statute and regulations, or use an informal tool developed at a regional office.

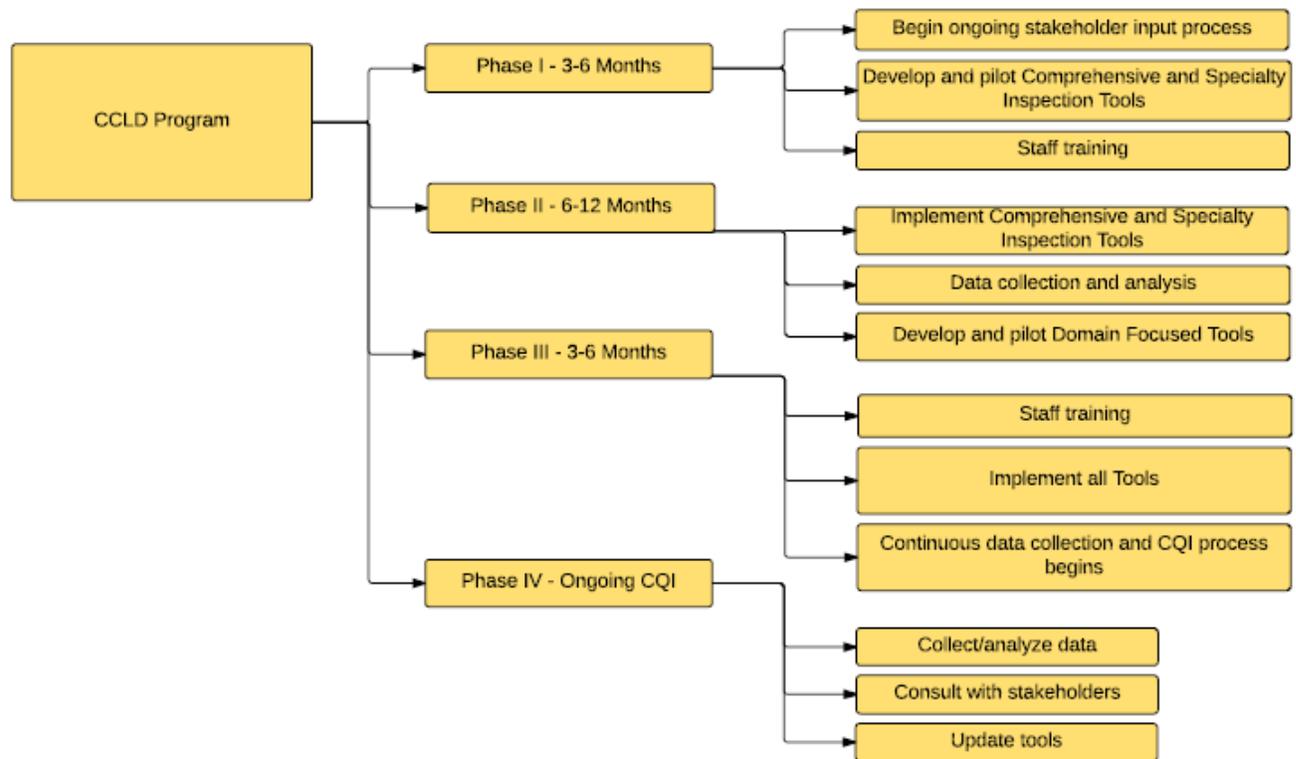
Last year, the Legislature approved Supplementary Reporting Language that required the department to meet with legislative staff and stakeholders to discuss the KIT analysis and current status of inspections, and to provide a report on the long-term plan for the use of the KIT. A meeting with the department in the summer of 2017 revealed that they were in the early stages of designing a new, comprehensive inspection tool, informed by the KIT analysis. In September 2017 the department released a report detailing its planned approach for a new tool. During the development of the new tool, all three versions of the KIT will remain in use. The KITs will be replaced on a flow basis when the standard tools for each licensing category are developed.

**New Inspection Tools.** In light of the absence of a standardized inspection tool, CCL has committed to developing a variety of standardized inspection tools for LPAs to improve the effectiveness and quality of the inspection process. In particular, the department will focus on prevention, and enhancing technical support to licenses from LPAs. These tools will also be developed differently for the various licensing categories, understanding that different facility types will have different statutory requirements and indicators of compliance to meet. CCL intends to adapt an Agile project management style and incorporate continuous quality improvement into the tool development process.

The department proposes three different types of tools: 1) comprehensive tools, 2) domain-focused tools, and 3) specialty tools. Comprehensive tools will be used for pre-licensing inspections, post-licensing inspections, and required annual inspections, and will contain extensive requirements in all domain areas that are relevant to the time of visits. Domain-focused tools will be developed after and based on data from comprehensive tools. These tools will replace the KITs as shortened tools for LPAs,

designed for each CCL program type. Specialty tools will be used with both comprehensive and domain-focused tools if a deeper dive into a specific area is identified.

The department has indicated that the new tool may require additional resources for staffing and training. Below is a timeline provided by the department showing the various phases of development for the development and implementation of the tools.



CCL has begun efforts to develop Comprehensive and Specialty Tools for RCFEs and ARFs, to pilot in the spring of 2018. The department has also held stakeholder meetings to gather initial input from Children’s Residential and Child Care and Adult and Senior Care facility advocates. CCL will also contract with an independent entity in developing quality measurement and compliance tools.

Currently, tools are being developed with LPAs and stakeholders for the RCFE pilot. These tools will be piloted on a portion of RCFEs due for their annual inspection to allow for its effectiveness to be evaluated before a statewide implementation. The pilot will test process measures, such the duration of the inspection or the learnability of the tools, and to a lesser degree will look at the validity and reliability of the tool, particularly inter-rater reliability.

Below is a timeline of the RCFE pilot:

Target Completion Date	Milestone
March 2018	Release pilot information and draft tools for stakeholder review
June 2018	Train LPAs participating in the pilot
July 2018	Conduct pilot visits and licensee surveys
September 2018	Pilot period concludes
October 2018	Conduct focus groups with LPAs
December 2018	Present and publish pilot report to stakeholders
January 2019	Integrate feedback into tools

<b>STAFF COMMENT</b>
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The Subcommittee may consider posing the following questions to CCL:

1. Has the department seen an impact on the complaint backlog from the additional staffing resources?
2. Has CCL been able to meet its statutory requirements on licensing visits?
3. Please discuss the genesis for creating a new comprehensive tool, and provide an update on current and upcoming activities in the development of this tool.
4. How do the KIT analysis and workload study inform your development of the new tools?
5. Does the department intend to propose statutory changes that would require the use of the newly developed tools?
6. How does the department intend to measure the new tool, and what kind of data does the department plan to collect to evaluate the effectiveness of the tool?

This is an informational item, and no action is required.

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**Staff Recommendation:**

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Hold open.

**ISSUE 9: BUDGET CHANGE PROPOSALS RELATED TO COMMUNITY CARE LICENSING****PANEL**

- Pat Leary, Chief Deputy Director, and Pam Dickfoss, Deputy Director Community Care Licensing, California Department of Social Services
- Justin Freitas, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

**GOVERNOR'S BUDGET PROPOSAL**

The Governor's Budget includes the following two Budget Change Proposals (BCPs) for Child Welfare Services (CWS), requesting state operations support. The BCPs are publicly available at the Department of Finance website, [www.dof.ca.gov](http://www.dof.ca.gov).

- **BCP for Resources for Disaster Preparedness.** The Governor's Budget proposes 3.0 positions and \$428,000 to support catastrophic planning and strengthen California's mass care and shelter capabilities. DSS has been assigned by the California Governor's Office of Emergency Service (Cal OES) in the State Emergency Plan as the lead for mass care and shelter in California. The Cal OES coordinates the State's disaster preparedness, response, recovery, and mitigation activities, assisted by state agencies, under the authority of the California Emergency Services Act, Executive Order W-9-91, California Disaster and Civil Defense Master Mutual Aid Agreement, and the California State Emergency Plan. The Administrative Order (AO) is a supporting document to the California State Emergency Plan which summarizes and expands upon the emergency preparedness, response, recovery, and mitigation functions of DSS. The AO guides the Director of Cal OES and the Director of DSS in coordinating priority tasks and programs which DSS will perform.

The Administration states that approval of the requested staff resources will allow DSS to increase mass care capabilities and strengthen relationships with local, state, and federal partners. Additionally, these staff will allow the Department to build capacity necessary to carry out its disaster-related responsibilities. Utilizing the requested resources, the Department intends to complete the following annual tasks:

- Develop or revise 3 to 5 state or local mass care plans.
  - Conduct 2 to 3 training courses and exercises.
  - Respond to 2 to 3 additional local emergency operations centers to coordinate mass care operations.
- **BCP for Private Alternative Boarding Schools and Outdoor Program Oversight and Policy Development.** The Governor's Budget proposes 12.5 positions

authority and \$1,041,000, total funds, to permanently support licensing of private alternative boarding schools and private alternative outdoor programs. Of the total amount, \$591,000 General Fund is requested ongoing in order to implement SB 524 (Lara), Chapter 864, Statutes of 2016, which established Private Alternative Boarding Schools and Private Alternative Outdoor Programs as two new subcategories of Group Homes to be overseen by the department. Specifically, the positions requested are eight full-time Licensing Program Analysts (LPAs), one Licensing Program Manager (LPM), one and a half Office Assistant positions, and one Associate Governmental Program Analyst (AGPA). The Information Systems Division also requests \$450,000 for contracts to make updates to the Licensing Information System.

In response to the absence of state oversight for facilities and outdoor programs that advertise services and care for troubled teens, SB 524 established “private alternative boarding schools” and “private alternative outdoor programs” as two new types of licensed community care facilities under the purview of DSS beginning January 1, 2018, and January 1, 2019, respectively. The 2017-18 Governor’s Budget proposed to modify implementation of SB 524 by making funding for its requirements contingent upon appropriation in the budget act and delaying implementation by 18 months after the appropriation of funds. The Subcommittee rejected this trailer bill, and the 2017 Budget Act provided \$750,000 General Fund to begin implementation activities for SB 524.

DSS estimates that there are 90 facilities (75 private alternative boarding schools and 15 private alternative outdoor programs); however, the proposal provides for a scaled-back alternative based on 60 facilities, given that it is difficult to estimate the number of these types of facilities currently operating.

<b>STAFF COMMENT</b>
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As of the time of this writing, no issues have been raised with these BCPs.

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**Staff Recommendation:**

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Hold open.

**ISSUE 10: STATE HEARINGS – BUDGET CHANGE PROPOSAL AND PROGRAM UPDATE****PANEL**

- Pat Leary, Chief Deputy Director, Department of Social Services, Manuel Romero, Deputy Director, State Hearings Division, Department of Social Services
- Tyler Woods, Department of Finance
- Ginni Bella, Legislative Analyst's Office
- Public Comment

**GOVERNOR'S BUDGET PROPOSAL**

The Governor's Budget includes the following two Budget Change Proposals (BCPs) for Child Welfare Services (CWS), requesting state operations support. The BCPs are publicly available at the Department of Finance website, [www.dof.ca.gov](http://www.dof.ca.gov).

- **BCP for Appeals Case Management System Implementation.** The Governor's Budget proposes 4.0 positions and \$493,000 to be a critical and essential part of the State's development and support team for the Appeals Case Management System.
- **BCP for Federal Medicaid Managed Care Final Rule Hearings and Increased Appeals Workload.** The Governor's Budget proposes 16.0 positions and \$3,228,000 to process the increased workload associated with: 1) the implementation of the Medicaid Managed Care Centers for Medicare and Medicaid Services (CMS) Final Rule that changes the CDSS State Hearings Division hearing process for managed care service denials, and 2) significant increase in existing workload due primarily to the ongoing impact of the implementation of the Affordable Care Act (ACA). The requested resources will allow the Department to provide timely due process for the affected population across all programs and mitigate penalties for late decisions.

**STAFF COMMENT**

As of the time of this writing, no issues have been raised with these BCPs.

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**Staff Recommendation:**

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Hold open.

**ISSUE 11: CALWORKS INDIAN HEALTH CLINIC ADVOCACY PROPOSAL****PANEL**

- Vanessa Cresci, Director of Research and Public Health, California Rural Indian Health Board
- Martin D. Martinez, CSAC II, Redwood Valley, Consolidated Tribal Health Project
- Will Lightbourne, Director, and Kim Johnson, CalWORKs and Child Care Branch Chief, Family Engagement and Empowerment Division, Department of Social Services
- Tyler Woods, Department of Finance
- Ginni Bella, Legislative Analyst's Office
- Public Comment

**ADVOCACY PROPOSAL**

The Subcommittee is in receipt of a funding proposal from the California Rural Indian Health Board for \$1.89 million to \$2.15 million General Fund to support at least one full-time employee per clinic to address dire community health needs. The proposal and background for the issue are outlined below.

The California Rural Indian Health Board, Inc. (CRIHB) is a Tribal organization established in 1969, operating under the authority of the Indian Self-Determination Act to provide technical assistance and health support services to 47 federally-recognized Tribal governments and 15 Tribal health programs in the state. The Indian Health Clinic (IHC) behavioral health program administered by DSS is an important service operated as a Memorandum of Understanding with 35 Indian clinics throughout the states. A map showing the names and locations of the clinics is included in this write-up.

Grants in the IHC Program supplement efforts to treat substance use disorders by Indian health organizations that serve CalWORKs and Tribal TANF clients. It is the only behavioral health program for American Indians/Alaska Natives (AI/AN) that survived big budget cuts in 2008 and 2011. Originally funded at about \$2.7 million, the program's funding was reduced, as were grants to the clinics. Nearly ten years later, after enduring such reductions in program funds to assist the state in its overall financial recovery, the program is in need of increased funding support to strengthen the system and address an opioid public health emergency.

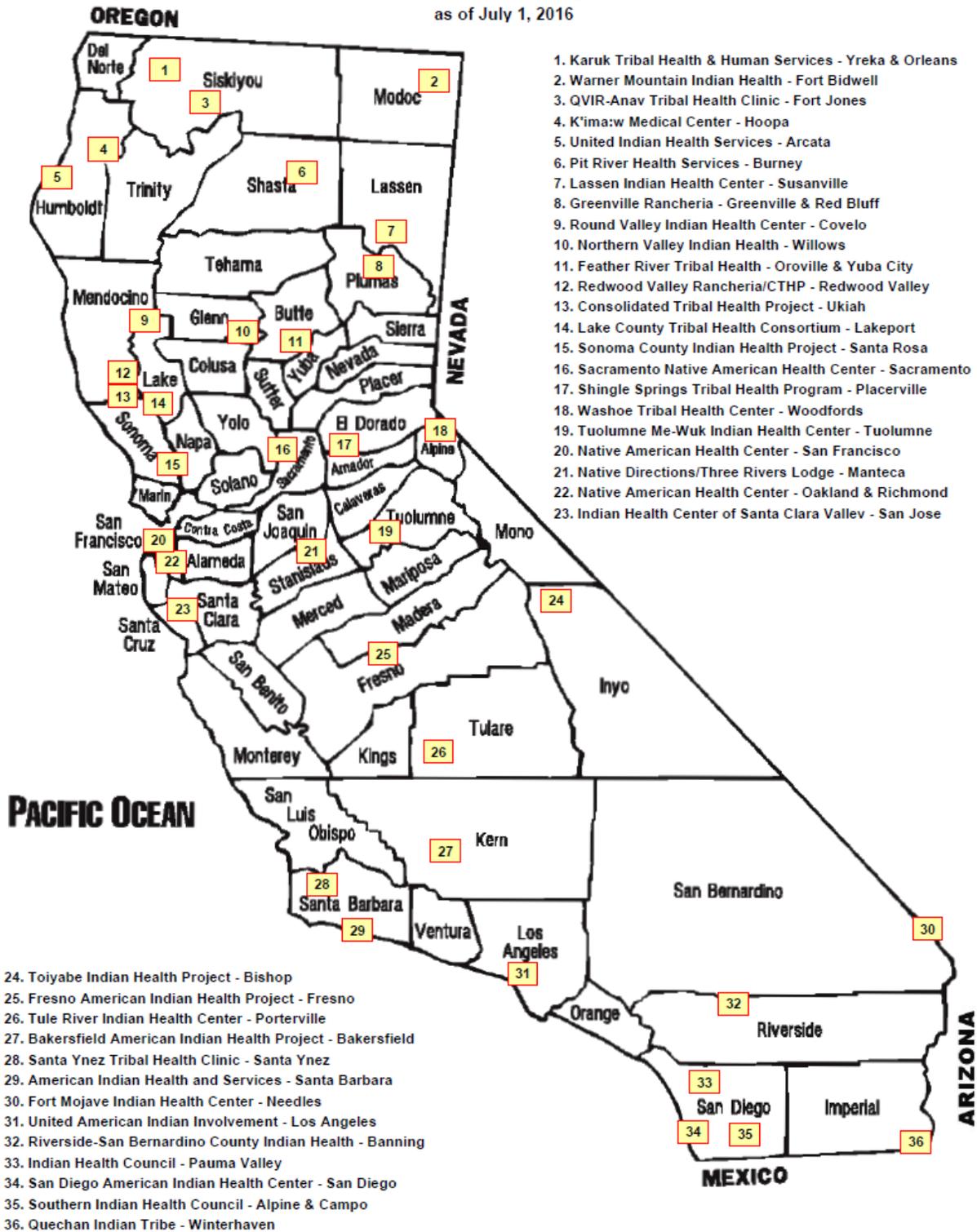
The opioid epidemic is severe among California Indian reservations, where fatalities from opioids are about three times as high as the rest of the nation. The current grant amount for each clinic stands at \$53,950.00, equaling a total General Fund expenditure of \$1.943 million, which counts towards a maintenance of effort requirement. The funds help pay for less than one full-time drug and alcohol counselor in most areas, plus some transportation costs.

The sponsors are seeking a budget augmentation of \$1.89 million to \$2.15 million General Fund to help support services to address the opioid epidemic and other health issues in these communities. The rates of alcoholism and exposure to meth and opiate use across Indian Country is well documented. In California, more than one in four AI/ANs report to have ever used drugs. AI/AN also report needing help for use of alcohol/drugs at a rate of 17.3%, compared to 15.9% in the general population (CHIS 2014). Of those individuals needing help, 32 percent of AI/AN did not receive treatment.

According to the 2014 California Tribal Behavioral Risk Factor and Surveillance Survey, the alarming drug exposures reported are mainly: cocaine (35%), speed (32%), meth, crank or ice (30%). The proposed funding level would make it possible to add group therapy sessions at each clinic, as one option, or supplement case management services for opioid treatment. Supporting this vulnerable population with state funds fulfills an important government responsibility, voluntarily shared by the State of California when the Legislature adopted Public Law 83-280 in 1954.

# Indian Health Clinic Program Locations

as of July 1, 2016



**Staff Recommendation:**

Hold open.