AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER TONY THURMOND, CHAIR

WEDNESDAY, APRIL 6, 2016
3:00 P.M. - STATE CAPITOL, ROOM 444

ITEMS TO BE HEARD

LIST OF PANELISTS IN ORDER OF PRESENTATION

5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE 1: CHILD WELFARE SERVICES (CWS) AND FOSTER CARE: CONTINUUM OF CARE REFORM – GOVERNOR'S BUDGET PROPOSALS AND ISSUES

- Will Lightbourne, Director, Greg Rose, Chief, Children and Family Services Division, and Sara Rogers, Bureau Chief, Continuum of Care Reform, California Department of Social Services
- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Ben Johnson, Legislative Analyst's Office
- Chi Lee, Department of Finance
- Public Comment

ISSUE 2: CWS AND FOSTER CARE: PROGRAM OVERSIGHT AND ADDITIONAL GOVERNOR'S BUDGET PROPOSALS

- Will Lightbourne, Director, and Greg Rose, Chief, Children and Family Services Division, California Department of Social Services
- Ryan Woolsey, Legislative Analyst's Office
- Ben Johnson, Legislative Analyst's Office
- Chi Lee, Department of Finance
- Public Comment

ISSUE 3: CWS AND FOSTER CARE: ADVOCACY PROPOSALS

- Philip Browning, Director, Los Angeles County Department of Children and Family Services
- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Sharon Rapport, Associate Director of California Policy, Corporation for Supportive Housing
- Ariella Grozbard, Student, UC Davis
- Cerise Grise, Alameda County Social Services Agency
- Amy Lemley, Policy Director, John Burton Foundation
- Mike Range, Public Health Nurse, Alameda County Department of Public Health

- Gail Johnson Vaughan, Director Emerita/Chief Permanency Officer, Families NOW
- Reaction from Department of Social Services and Department of Finance
- Ben Johnson, Legislative Analyst's Office
- Public Comment

ISSUE 4: COMMUNITY CARE LICENSING – BUDGET REVIEW AND GOVERNOR'S BUDGET PROPOSALS

- Pat Leary, Chief Deputy Director, and Pam Dickfoss, Deputy Director Community Care Licensing, California Department of Social Services
- Ginni Bella, Legislative Analyst's Office
- Chi Lee, Department of Finance
- Public Comment

ITEMS TO BE HEARD

5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE 1: CHILD WELFARE SERVICES AND FOSTER CARE: CONTINUUM OF CARE REFORM – GOVERNOR'S BUDGET PROPOSALS AND ISSUES

PANEL

- Will Lightbourne, Director, Greg Rose, Chief, Children and Family Services Division, and Sara Rogers, Bureau Chief, Continuum of Care Reform, California Department of Social Services
  - Please provide an overview of the Continuum of Care Reform (CCR) proposal as included in the Governor's Budget, including a review of where preparation for implementation stands, outstanding issues for review as part of this spring process, and reaction to feedback from stakeholders thus far.
  - Please include a review of the implementation of the Foster Parent Recruitment, Retention, and Support (FPRRS) program as part of the CCR testimony.
  - Please include a brief presentation on the State Operations spending proposed in the Budget Change Proposal related to CCR for DSS.
- Frank Mecca, Executive Director, County Welfare Directors Association of California
  - Please describe the priority issues for the counties as the launch toward CCR implementation nears.
- Ben Johnson, Legislative Analyst's Office
- Chi Lee, Department of Finance
- Public Comment

ISSUE OVERVIEW

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. As part of a years-long effort to identify and effect improvements to the state's child welfare system, the Legislature passed legislation in 2015 implementing the Continuum of Care Reform, or CCR. The law, Chapter 773 of 2015 (AB 403, Stone), makes fundamental changes to the way the state cares for children who have been removed from their home. Predicated on widespread concern surrounding poor outcomes for children placed in non-family-like settings, CCR aims to increase the foster care system's reliance on more family-like settings rather than institutional settings like group homes. Additionally, CCR makes changes to ensure that the state's foster children receive needed mental health treatment and supportive services regardless of their placement setting.

To accomplish these goals, the Governor's budget proposes about $60 million in General Fund for support of CCR implementation efforts. While the long–term fiscal implications of CCR are unknown, the Governor's 2016-17 budget recognizes that CCR implementation requires up-front funding from the state. This analysis begins by providing an overview of the existing foster care system; highlights the major policy changes included in AB 403; and evaluates the Governor's proposed CCR implementation spending in light of continued uncertainties around the ultimate costs, savings, and programmatic impacts of the reform package.

This section begins with an overview of CWS and then an in-depth description of the CCR proposal itself, which is the main subject under this Issue.

OVERVIEW OF THE CHILD WELFARE SYSTEM

California's child welfare system provides a continuum of services for children who have experienced or are at risk of experiencing abuse or neglect. These child welfare services (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. Adoption and guardianship are the two most common permanent placement options after family reunification.

The DSS oversees CWS, while county welfare departments carry out day-to-day operations and services. DSS is responsible for statewide policy development, enforcing state and federal regulations, and ensuring that the state achieves the federal performance standards tied to federal funding. Counties have some flexibility around the design of their operations and the range of services they provide. All counties investigate allegations of abuse, engage with families to help them remain intact, and provide maintenance payments to foster caregivers and providers. Other services vary county by county, with some counties, for example, offering supplemental payments for children with high needs and others offering child care for a subset of children in care. Assisting the counties are several hundred private Foster Family Agencies (FFAs) and group home operators who themselves provide a continuum of services ranging from foster parent recruitment and certification to mental and behavioral health counseling.

County probation departments carry out many of the same services provided by county welfare departments in the case of children who have been declared wards of the court through a delinquency hearing. After obtaining jurisdiction over a child, county probation departments will assess the parents' ability to adequately supervise the child, provide family preservations services if there is a risk of removal, and secure a foster care placement - typically in a group home - if removal is deemed necessary. Unlike the majority of children who enter the child welfare system, children in out–of–home care due to a probation decision have not necessarily been subject to abuse or neglect. Instead, probation departments typically utilize foster care placements with the aim of rehabilitating the child. Commonly considered a less restrictive setting for a population that might otherwise be placed in a locked facility, group homes are the most utilized foster care placement setting for county probation departments. In contrast, child welfare departments utilize group home placement relatively infrequently. Relative to children overseen by the child welfare system, probation youth tend to be older and require heightened supervision.

CWS Funding. Total funding for CWS is estimated to be roughly $5 billion for 2016-17. Below we describe the major sources of this funding.

- *2011 Realignment Revenues.* Until 2011-12 the state General Fund and counties shared 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 2016-17 budget assumes that over $2 billion will be available from realignment revenues for the support of CWS programs. The 2011 realignment transferred fiscal risk to counties at the same time as it gave them a guaranteed source of revenues. Prospectively, counties are not responsible for future cost increases resulting from state, federal, and judicial policy changes, but are responsible for all other increases, for example, those associated with rising caseloads. Conversely, if overall child welfare costs fall, counties get to retain those savings. Proposition 30, approved by voters in 2012, protects the state from having to reimburse counties for child welfare policies that were in place prior to 2011 realignment. Proposition 30 also 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 funding.

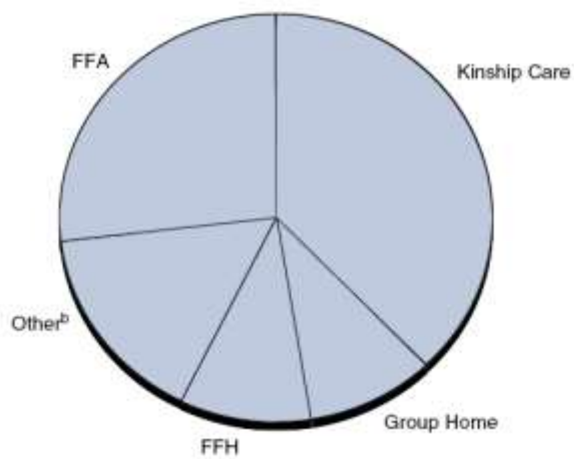
- *Federal Funding.* Federal funding for CWS stems from several sources and is estimated to be over $2.5 billion in 2016-17.

- *State General Fund Supports Nonrealigned Components of Child Welfare and State Oversight Functions.* The 2016-17 budget proposes over $250 million General Fund to county welfare and probation departments to implement components of the child welfare program that were not part of 2011 realignment. This includes funding for such things as a program to combat the commercial sexual exploitation of children and foster care payments for certain relative caregivers. Additionally, the General Fund continues to support the state's CWS oversight function at DSS.

Placement Options. When finding a placement for foster children, counties rely on four primary placement options - kinship care, foster family homes (FFHs), FFAs, and group homes. As of October 2015, there were over 65,000 children in foster care in California. Kinship care, FFHs, and FFAs are commonly referred to as home–based family care. Federal and state law mandate that children be placed in the least restrictive placement setting, which state law describes as that which promotes normal childhood experiences and the day–to–day needs of the child. The figure below shows the proportions of foster children in each of these placement settings. The four selected placement types vary in their level of restrictiveness, serve children with different though overlapping needs, provide distinct sets of specialized services, and receive varying care and supervision payment rates from the state, which are referred to as foster care payment rates.

Figure 9

Distribution of Foster Children by Selected Placement Type[a]



[a] Data Source: University of California, Berkeley California Child Welfare Indicators Project.

[b] "Other" includes foster children living in placements other than the four selected placements, for example, children placed in Supervised Independent Living Placements and Transitional Housing. The category excludes children placed with guardians who nevertheless have an open child welfare case.

FFH = foster family home and FFA = foster family agency.

Kinship Care. Established child welfare policy and practice in the state prioritizes placement with a noncustodial parent or relative. Among child welfare workers' first responsibilities following a child's removal is locating a potential relative caregiver. Kinship care comprises care from relatives and nonrelative extended family members and is the state's most utilized placement option at 38 percent of foster placements as of October 2015. Unlike other placement types, kin-caregivers are not necessarily eligible for foster care payments at the same level as other foster caregivers. Specifically, relatives caring for children who are ineligible for federal financial participation (primarily due to income eligibility rules) have historically received a lower foster care payment rate, the CalWORKs child-only payment of $369 per child per month in 2015-16. However, with the passage of the state-funded Approved Relative Caregiver (ARC) funding option program in 2014, relative caregivers of federally ineligible children can potentially receive the foster care payment rate (referred to as the basic rate), which varies in 2015-16 from $688 to $859 per month based on the age of the child. The ARC program is optional at the county level and several counties have chosen not to participate; as a result, some relative caregivers continue to receive the lower CalWORKs rate. Currently, 48 counties have opted to participate in the ARC program. ARC is discussed in more detail under Issue 2 of this agenda.

FFHs. County-licensed foster homes, known as FFHs, are often the preferred placement option when a suitable relative 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 10 percent of foster children statewide who resided in an FFH as of October 2015. In 2015-16, FFH caregivers receive the foster care payment basic rate of $688 to $859 per month (varying by the child's age) for the care and supervision of each foster child in their home.

FFAs. The FFAs are the only primary placement type that does not directly house the children under their care. Instead, FFAs are private nonprofit agencies that recruit and certify foster caregivers, place children into FFA-certified homes, and provide supportive services to the children in their care, typically children with elevated needs compared to those placed in FFHs. Considered a less restrictive alternative to group home care, placement in an FFA is often the preferred option for children whose placement stability depends on greater social worker involvement and direct access to supportive services. Because they offer a wider array of services and typically serve children with higher needs, counties reimburse FFAs at a higher rate than either relative caregivers or FFHs. The FFA–certified caregivers receive the basic rate plus a $189 monthly supplemental payment known as the Child Increment. On top of this, FFAs are paid a monthly rate between $912 and $1,012 per child for the social work and administrative services they provide. Adding together the direct caregiver and FFA portions, the payment per child placed at an FFA in 2015-16 ranges from $1,789 to $2,060 per month (referred to as the FFA rate). As of October 2015, 27 percent of the state's foster children were placed through an FFA.

Group Homes. Group homes, operated as private, nonprofit agencies, provide 24-hour care, supervision, and services to foster children with the highest levels of need, often children with significant emotional or behavioral challenges who have difficulty achieving stability in a home-based family setting. Professional staff provide the care and supervision as well as therapeutic and supportive services to children in group homes. Due in part to the absence of a parental caregiver, group homes are considered the most restrictive (except in the case of foster children supervised by probation agencies), least family–like foster care setting, and are generally the least preferred placement option. Because of their reliance on professional staff and provision of often intensive supportive services, group homes are compensated at higher rates than the other placement types. The Rate Classification Level System (RCL), which features 14 rate levels, determines group home provider payments. For 2015-16, providers receive between $2,391 (RCL 1) to $10,130 (RCL 14) per month per child, depending primarily on the qualifications of their staff and the number of staff hours they provide to children in their care. Services and treatments vary across group homes, but often include, particularly among higher level group homes, counseling and mental health treatment services. As of October 2015, approximately 10 percent of California's foster children were living in group homes.

Other Placement Types. In addition to the four primary placement types described above, a suite of alternative options exist to serve children with distinct needs and circumstances. For example, these include supervised independent living arrangements for older, relatively more self–sufficient youth.

The figure below summarizes the foster care payment rate structure for the four primary placements types. Each carries different costs for the state and its federal and county funding partners.

Selected Monthly Foster Care Payment Rates by Placement Type 2015–16

	Kin Caregivers				
	Relative Caregivers	**Non–RelativeCaregivers**	**Foster Family Homes**	**Foster Family Agencies**	**Group Homes**
Foster care payment rate	$369 or$688–$859[a]	$688 – $859	$688 – $859	$688 – $859	$2,391 – $10,130[b]
Supplemental caregiver payments	Specialized Care Increment[c]	Specialized Care Increment[c]	Specialized Care Increment[c]	$189	—
Supplemental provider payments	—	—	—	$912 – $1,012	—

[a]Relative caregivers caring for a child who is ineligible for federal financial participation and who live in a county that has chosen not to participate in the Approved Relative Caregiver Program receive the $369, CalWORKs child–only rate. All other relative caregivers receive the basic rate.

[b]Unlike home–based care providers who primarily receive a rate based on the age of the child, group home rates are determined by the level of services they provide. Rate Classification Level (RCL) 14 is the highest level and most costly group home; RCL 1 is the least costly. Children are assigned to group homes based on the level of their service needs.

[c]The specialized care increment is a monthly supplemental payment available to kin and foster family homes caregivers at the county option for the care of children with elevated needs.

CONTINUUM OF CARE REFORM

Longstanding concerns about the outcomes and costs of group home care led the Legislature to enact CCR legislation to reform the foster care system. CCR aims to reduce reliance on group homes and increase the capacity of home-based family placements.

Impetus for Reform. The foster care system provides services for children from a variety of circumstances, each with varied strengths and needs. Those placed in group homes tend to be children with higher needs than the foster care population as a whole. Research suggests that group home placements are occasionally warranted, but long-term group home stays are associated with elevated rates of reentry into foster care, lower educational achievement, and higher rates of involvement in the juvenile justice system. Children placed in group homes remain in foster care longer and often have a more limited array of permanency options than their home–based family placed peers. Those who do not reunify with their families typically emancipate by aging out of foster care. Although a portion of children who age out of group homes may reconnect with their parents and extended family, others leave the foster care system with no life-long family relationships.

Group home placements can cost up to $10,130 per child per month depending on the level of care provided. In contrast, foster care payments for home–based family settings generally range from $688 per child per month for relative and FFH placements to $2,060 for FFA placements. However, that there are certain home-based family placements, such as Intensive Treatment Foster Care (ITFC), that have significantly higher payment rates due to the level of services they provide. Placing children in group homes when they could be successfully served in home-based family settings may not only be less effective, but also a less efficient use of child welfare resources.

Reducing reliance on group home placements has been a priority for the state for some time. One major challenge to reducing reliance on group home placements is having an adequate supply of home–based family placements, particularly those capable of caring for children whose elevated needs make them at risk for group home placement. Additionally, services and supports to enable home-based family caregivers to care for children at risk of group home placement are not available to all home–based family placement types, in some cases requiring children to move to more restrictive settings in order to receive necessary mental health and other supportive services. Ensuring the adequacy and availability of home-based family placements is a key consideration if reliance on group home placements is to be further reduced.

Longstanding concerns surrounding poor outcomes for children growing up in group homes led the Legislature in 2012–13 to call for the creation of a stakeholder workgroup to recommend changes to the foster care system, known as CCR. Chapter 35 of 2012 (SB 1013, Committee on Budget and Fiscal Review) instructed the workgroup to develop revisions to the services available to children in out-of-home care as well as the rate systems that govern foster care payments. In 2015, DSS published its legislative report with 19 recommendations based on the workgroup's findings. The 19 recommendations aim to improve the experience and outcomes of children in foster care and have largely been incorporated into AB 403. The CCR centers around several complementary goals—(1) ending long–term group home placements, (2) increasing access to supportive services regardless of whether a child is in a group home or home–based family setting, (3) utilizing universal child and family assessments to improve placement and service decisions, and (4) increasing transparency and accountability for child outcomes.

CCR Creates a New Placement Type. Assembly Bill 403 seeks to end group homes generally as a placement option beginning January 1, 2017. (With certain exceptions on a case–by–case basis, some group homes may be allowed to continue to operate as group homes past January 2017.) Short–Term Residential Treatment Centers (STRTCs) will replace group homes as the placement setting for children who cannot safely 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 serving as long-term placements for children for whom home–based family placements cannot be found, STRTCs are intended to provide short–term, intensive treatment to allow children to successfully transition to a family setting as quickly and successfully as possible. Assembly Bill 403 restricts STRTC placements to children who have been assessed as requiring the level of behavioral and therapeutic services that STRTCs will be required to provide. Children whose level of need qualifies them for STRTC placement include, among others, those assessed as seriously emotionally disturbed and victims of commercial sexual exploitation. To ensure the ongoing appropriateness of all STRTC placements, resident children's case plans will be subject to review every six months by the director or deputy director of the supervising county child welfare or probation department. The case plans will 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.

CCR Expands the Set of Core Services FFAs and STRTCs Are Required to Provide. Among other activities, FFAs currently engage in foster parent recruitment, retention, and certification, and employ social workers to support the children in their care through more frequent interactions than county social workers have historically been funded to provide. AB 403 also authorizes counties to operate their own FFA. Group homes, particularly high-level ones, administer a range of therapeutic and supportive services in addition to providing direct care and supervision. Under CCR, STRTCs and FFAs will be required to ensure access to specialty mental health services and strengthen their permanency placement services by approving families for adoption, providing services to help families reunify, and giving follow–up support to families after a child has transitioned to a less restrictive placement. Assembly Bill 403 requires several other core services to be made available, including, but not limited to, educational, health, and social supports. The specifics around the new core services that FFAs and STRTCs will have to directly or indirectly provide is currently under development.

CCR Calls for Additional Integration Between Child Welfare and Mental Health Services. Prior to CCR, the state was working to ensure that CWS–involved children obtain medically necessary mental health services. CCR builds on these efforts by requiring all FFAs and STRTCs to either (1) maintain certification from the Department of Health Care Services (DHCS) or county Mental Health Plans (MHPs) to provide mental health services directly or (2) contract with mental health providers to serve children in their care.

STRTCs and FFAs Required to Obtain National Accreditation. CCR seeks to improve the quality of residential services by requiring all STRTCs and FFAs to maintain accreditation from a nationally recognized accreditation body. Accreditation typically involves an in–depth review of an organization in order to confirm it meets recognized service standards. Reaccreditation will reoccur every three years as a means of ensuring continuous quality improvement and maintenance of high operating standards into the future.

FFA and STRTC Performance Measure Dashboard for County Placement Agencies and the Public. CCR calls for the development and promulgation of publicly available FFA and STRTC performance measures. DSS intends for these indicators, for example, on rates of successful family reunifications, placement stability, client satisfaction, educational achievement, and health and safety standards, to inform placement decisions. Assembly Bill 403 specifies January 2017 as the launch date for the public dashboard. Initially, the indicator dashboard will likely feature only a subset of the measures that will ultimately be included, and then be gradually expanded as the system undergoes continued development and additional FFA and STRTC performance data become available.

Resource Family Approval (RFA) Replaces the Existing Multiple Approval, Licensing, and Certification Processes for Home–Based Family Caregivers. Before foster caregivers may receive foster care payments, they must be approved, certified, or licensed to provide care. Currently, the approval process differs by placement type, for example, FFHs are licensed according to one set of criteria while relative caregivers are approved under a different set. The CCR replaces the multiple approval standards currently in place with a unified assessment that incorporates a psychosocial evaluation, risk assessment, and permanency assessment for all prospective home–based family caregivers. Unlike the previous multiple, overlapping approval processes, the RFA process will automatically qualify a foster family for guardianship and adoption. Once the transition to RFA is complete, all home–based family placements will be approved as “resource families.” Currently underway in five early–implementer counties, the rest of the state will convert to the resource family approval process for all new home–based family caregivers on or before January 1, 2017.

Resource Family Approval creates a unified approval system that holds all families, including relatives, to the same high standards while providing them equal access to full AFDC-FC benefits. The department has indicated in its Rates Workgroup that it is focused on implementing the law going forward and that the new CCR rate system will provide a standardized tiered rate for all RFA families, inclusive of relatives. The Alliance for Children's Rights and the Step Up Coalition have written to the Subcommittee that they are encouraged by the discussions to date, as they believe that without the full and equal financial support envisioned by the RFA program, relatives cannot be successful in helping young people stabilize in a home-based family environment.

More Collaborative, Child–Centered Decisions Through the Use of 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 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. Members of the team will meet as needed to discuss and agree on the child's service plan whenever an important foster care decision is being made.

Needs Assessment to Inform Placement and Services Decisions. CCR calls for children to receive a comprehensive strengths and needs assessment upon entering the child welfare system to improve placement decisions and ensure prompt access to supportive services when they are determined to be necessary. The assessment is expected to utilize a structured assessment tool that will be administered by a child welfare worker, the results of which will inform decisions made by the child and family team.

New STRTC and FFA Payments Rates Are Currently Under Development. Generally, pursuant to AB 403, the RCL system featuring 14 separate group home reimbursement rates and the current FFA rate structure will sunset and be replaced by a new set of rates that will take effect beginning January 2017. These new rates are expected to reflect the expanded set of responsibilities CCR places on STRTCs and FFAs. Under consideration by DSS and a stakeholder workgroup is a system whereby a child's needs assessment determines, at least in part, the rate that the child's caregiver and supportive service provider(s) are entitled to. This could potentially allow, for example, a county to contract or provide supportive services for children in home-based family placements other than FFA-certified homes. This would be in contrast to the current foster care payment rate system whereby a child's placement generally determines the foster care payment rate and services that the child receives. It is unknown at this time how rates will be structured in a way that increases access to services for all children in home–based family settings. Stakeholder workgroups focused on rate development have been underway and it was the Subcommittee's understanding that a new rate system, or a draft, was to be made public in March 2016.

Governor's Budget for CCR. The Governor proposes $61 million from the General Fund ($95 million total funds) to continue to implement CCR in 2016-17. The proposed General Fund spending represents an increase of $39 million over the $22 million General Fund ($34 million total funds) provided for CCR in 2015-16. The 2015-16 funding for CCR is allocated primarily toward foster parent recruitment and retention and a rate increase for FFAs. As with 2015-16, most of the Governor's proposed spending for 2016-17 is dedicated to the county child welfare and probation departments that directly administer CWS, with a small portion of the proposed funding for additional positions at DSS and DHCS to provide regulatory, implementation, and administrative support to their county partners. The figure below summarizes how the proposed state CCR implementation spending is allocated among the various state and local entities.

2016–17 Proposed Continuum of Care Reform State Spending

(In Millions)

General Fund	2015–16 Estimated	2016–17 Proposed	Change
Local assistance to county welfare and probation departments	$21.5	$57.5	$36.0
Department of Social Services—state support	0.5	3.0	2.5
Department of Health Care Services and local assistance to county mental health plans	—	0.4	0.4
Totals	$22.0	$60.8	$38.8

The Governor's proposed budget provides funding for the next round of CCR implementation. Most major components of AB 403 become effective on January 1, 2017, requiring significant implementation efforts by the state, counties, and foster care providers in advance of that date. The Governor's 2016-17 proposed budget recognizes new state General Fund costs associated with CCR implementation and accounts for offsetting county savings from the elimination of duplicative foster caregiver approval processes and the transition of children out of group homes into home–based family placements. The total funding proposed from the General Fund for CCR implementation for counties in 2016-17 is less than it would be if these county savings were not assumed by the budget. It is important to note that the offsetting county savings associated with CCR are accounted for in this way due to 2011 realignment, which, as we previously discussed, established that the state must provide funding to counties equivalent to the net cost of new state policy requirements.

Foster Parent Recruitment and Support. Reducing the state's reliance on group home and STRTC placements depends on FFA and child welfare and probation departments' ability to recruit and retain home-based family caregivers for the children expected to leave group homes over the next several years. The 2015-16 budget provided $17.2 million General Fund ($25.8 million total funds) to support county efforts to increase the supply of home–based family caregivers. To receive recruitment and retention funds, county child welfare and probation departments had to submit county plans to DSS identifying how they would use the funds to train, recruit, retain, and support home–based family caregivers. In 2015–16 allowable uses of the funding provided to these county departments included: (1) staffing to provide direct services and supports to foster caregivers, (2) foster care payment supplements to support caregivers of children with exceptional needs, and (3) intensive relative finding and engagement.

Budget–related legislation in 2015-16 requires DSS to report to the Legislature during 2016-17 budget hearings on counties' uses of these funds as well as the outcomes achieved. For 2016-17, the Governor builds on the 2015–16 appropriation, proposing a total of $32 million General Fund ($47 million total funds) to help counties increase the supply of high-quality, home-based family placements. About half of 2016-17's proposed spending is intended for county probation departments, which in 2015-16 received a small fraction of the recruitment and retention funding. At this time it is unclear whether the proposed 2016-17 funds will be allocated to counties using the same methodology used in 2015-16.

RFA Implementation. The Governor proposes $11 million General Fund ($16 million total funds) to assist counties as they transition to the unified RFA process. This funding represents the estimated net cost to counties of implementing RFA after accounting for assumed total county savings of roughly $19 million in 2016–17. On the cost side, RFA imposes additional training requirements on home–based family caregivers and expands the set of assessment criteria that child welfare workers have to apply before approving a caregiver as a qualified placement. On the savings side - and among other expected efficiencies - the switch to RFA eliminates the need to carry out adoption assessments for caregivers already approved as resource families and is expected to encourage placement stability, thereby reducing the total number of caregiver approvals by incorporating permanency considerations into the initial placement decision. The transition to RFA will be a multiyear effort as counties initially need only apply RFA to new home–based family placements. By 2019, however, all home–based family placements will have to convert to RFA, which will require the reassessment of existing foster and kin caregivers.

Child and Family Teaming (CFT) Activities. The CCR requires the use of a multidisciplinary, team–based approach to placement and other decisions that affect a child receiving CWS. The Governor's budget recognizes that this new approach increases workload at the county level since it requires the coordination of team–based decision–making among multiple parties. After accounting for the components of CFT that were in place before 2011 realignment and therefore already incorporated into county funding, the Governor's budget includes $10 million General Fund ($14.4 million total funds) for a half year of implementation for this component of CCR.

Remaining Proposed Funding for a Variety of CCR–Related Activities. The remaining $11 million General Fund ($18 million total funds) proposed for CCR implementation at the county level in 2016-17 is intended to (1) maintain the FFA rate increase enacted in 2015-16 given caseload growth, (2) implement needs assessments and STRTC case reviews, (3) help cover a portion of initial FFA and STRTC accreditation costs, (4) update child welfare workers' case management system, and (5) develop the provider performance indicator dashboard. Also included in the Governor's proposal is approximately $200,000 General Fund ($400,000 total funds) for county MHPs to ensure children in STRTCs are appropriately placed.

Estimated Costs and Savings Continuing to Change. The table below from the LAO shows the Governor's estimated costs and assumed county foster care payment savings for the major components of the 2016-17 CCR budget proposal that will be implemented by counties, apart from state operations expenditures described earlier.

Proposed CCR State Spending for County Child Welfare and Probation Department Implementation

(In Millions)

	2015-16		2016-17		Change From 2015-16	
Activity	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
Foster parent training, recruitment, retention, and support	$17.2	$25.8	$32.2	$47.4	$15.0	$21.6
Resource Family Approval[a]	—	—	11.2	16.2	11.2	16.2
Child and family teaming	—	—	9.7	14.4	9.7	14.4
2015-16 FFA rate increase	4.3	7.3	4.5	7.6	0.2	0.3
Case planning assessment, reviews, and training	—	—	4.4	6.6	4.4	6.6
Accreditation	—	—	1.4	2.8	1.4	2.8
Automation and performance measure development	—	—	0.5	0.8	0.5	0.8
Assumed foster care payment savings at the county level[b]	—	—	-6.4	-7.3	-6.4	-7.3
Totals[c]	**$21.5**	**$33.1**	**$57.5**	**$88.6**	**$36.0**	**$55.5**

[a] Estimated total spending for Resource Family Approval is net of estimated county savings, which are estimated at approximately $19 million in total funds.

[b] Assumed foster care payment savings offset the costs of the other proposed CCR activities, reducing the total estimated state funding for CCR implementation.

[c] This figure does not include the approximately $3.4 million General Fund ($6.4 million total funds) in the Governor's proposed budget to support DSS state operations, DHCS state operations, and county Mental Health Plans' CCR implementation efforts.

CCR = Continuum of Care Reform; FFA = Foster Family Agency; DSS = Department of Social Services; and DHCS = Department of Health Care Services.

Note: This figure was taken from the Legislative Analyst's Office's February 2016 publication, *The 2016-17 Budget: Analysis of the Human Services Budget.*

A Note on Rates. Although the CCR requires a new rate structure for STRTCs and FFAs, these new rates were still under development at the time of the Governor's budget. In the absence of new rates for STRTCs and FFAs, the Governor's budget uses the rates currently paid to RCL 14 group homes and ITFC providers as placeholder figures for the new provider rates under CCR.

A Note on Presumed Savings. While the Governor's proposal does not provide a long–term outlook for CCR-related General Fund costs, the original 2016-17 CCR proposal assumed that county savings related to lower foster care payments, which offset the above estimated costs, begin to accrue in 2016-17. These savings would be due to an assumed steady transition of about 2,500 children out of group homes into less costly home–based family placements over the first three years after CCR becomes effective. For 2016-17, the Governor projected $6.4 million in county savings as a result of shifting children to less costly placements, which offset the General Fund contribution that would otherwise be necessary to implement CCR's other mandated activities.

Since January, the Administration has reversed its estimate on savings and no longer presumes them, so the Resource Family Approval (RFA) and Assumed Foster Care Payment Savings lines in the chart above no longer accurately reflect the Governor's spending proposal. The RFA component was originally net of approximately $19 million in total county savings. These savings are no longer being assumed in the Governor's budget, raising the total cost of the RFA component to approximately $35.3 million. The Assumed County Savings of $7.3 million in total funds are also no longer being assumed.

As a result, the new baseline CCR costs are probably closer to $115 million in total funds rather than the $88.6 million contained in the Total line of the figure. It is not yet known precisely how these changes will affect the General Fund, though if the federal/state share remains constant then the total General Fund impact could be around $20 million on top of the $57.5 million originally proposed.

State Operations Spending Proposals. In 2015-16, DSS received $500,000 for two new positions to administer the foster parent recruitment, retention, and support funding. The 2016-17 proposed budget requests temporary funding (three years) of $2.5 million in General Fund ($5 million total funds, $2.5 million General Fund) to add 34.5 new positions at DSS to form a CCR implementation team to, among other responsibilities, oversee policy development as well as a robust stakeholder workgroup process. Based upon the magnitude of change to the child welfare system, as well as the quantity of discrete tasks, the necessity of stakeholder engagement, and the aggressive implementation timeframe, DSS states that additional staffing resources are necessary to perform Implementation. DSS seeks to establish a dedicated CCR project team to perform this significant workload, which is expected to last over a multi-year period. AB 403 workload Includes: (a) Development of 228 new procedures, processes, or protocols; (b) 26 consultations with varying combinations of 18 specified or openended stakeholder groups; (c) Development of 19 sections of regulations; (d) Development of eight new training programs or new curriculum for existing programs; and (e) Reports to the Legislature or to publicly publish information.

For 2016–17, DHCS requests $175,000 General Fund ($350,000 total funds) to help STRTCs obtain mental health certification. Across the state there are over 700 group homes, a subset of which will likely seek mental health certification as they convert to STRTCs. If an STRTC chooses to provide the services directly, CCR requires that it obtain certification from DHCS or a county MHP. DHCS requests additional resources to support one permanent position and temporary funding for two positions to directly certify the new STRTCs and assist county MHPs that choose to carry out STRTC certification themselves. This BCP is noted here for informational purposes as it will be discussed under the DHCS items before the Subcommittee.

LAO ASSESSMENT

The LAO has provided thoughtful and comprehensive feedback on its view of the CCR effort, included here. "Full implementation of AB 403 is expected to be a multiyear effort. Funding for CCR implementation began in 2015–16 with an augmentation for counties to increase outreach, recruitment, and support for foster parents and to provide an increase to the FFA rate. The Governor's 2016–17 proposal builds upon the 2015–16 efforts, and continues to primarily focus early implementation efforts on building capacity in home–based family settings while beginning to phase in other components of CCR implementation. We have reviewed the Governor's proposal for new positions at DSS and DHCS. Given the magnitude of the CCR implementation efforts, we find them to be reasonable. We note that the request for DSS positions includes limited term funding, which will allow the Legislature to reevaluate the ongoing CCR workload when implementation is further along. Overall, we find that the Governor's proposal is a logical next step in the implementation of CCR, but recognize that many uncertainties continue to surround CCR implementation. The LAO highlights several of these key uncertainties in this section.

- **Considerable Fiscal and Programmatic Uncertainties Surround CCR Implementation.** Because CCR results in a fundamental shift in the way CWS are delivered in California, large uncertainties surrounding the total fiscal impact and programmatic challenges of the reform package remain. The Governor's budget recognizes that implementation will result in up–front costs for the counties. Offsetting those costs are assumed county savings that are projected to materialize beginning in 2016–17. These offsetting savings are uncertain because they are based upon particular assumptions about rates (which have not been finalized) and other assumptions about the number and speed at which children will exit group homes (which will depend upon the availability of home–based family caregivers). Ultimately, the future costs or savings from CCR are contingent on a host of interconnected factors, including the new STRTC and FFA foster care payment rates that DSS develops, the rate at which children exit group homes to home–based family care, and which home–based family settings are most heavily utilized following the closure of group homes. Programmatically, the ability of counties to recruit and support additional home–based family caregivers will be critical to CCR's success.

- **Availability of New Home–Based Family Placements Key to CCR's Success**. Currently, over 5,500 children reside in group homes. DSS projects that around 2,500 of these children will gradually transition to home–based family placements over the three years following implementation. Child welfare and probation departments are developing strategies to better identify and support home–based family settings for children transitioning from group homes.

  Recognizing the necessity of finding new home–based family caregivers under AB 403, the Governor dedicates nearly half of new CCR spending to counties for foster parent recruitment and retention. County welfare and probation departments' ability to translate these funds into additional home–based family caregivers is unknown at this time. As we have noted, AB 403 requires DSS to report at upcoming legislative hearings on the recruitment and retention efforts currently underway. Without a considerable increase in the number of home–based family placements, CCR's goal of reducing the state's reliance on long–term group home placements cannot be met.

- **The Speed at Which Children Will Leave Group Homes Is Unknown.** In estimating 2016–17 savings for counties, DSS assumes a steady transition of children out of group homes and into STRTCs or home–based family placements. What the exit rate will ultimately be is subject to significant uncertainty, such as the extent to which group homes successfully petition for license extensions past CCR's January 1, 2017 implementation date. By January 2019, all child welfare group home placements must cease, but probation group home placements may potentially continue indefinitely. In both the short and long run, children remaining in group homes will add cost pressures to CCR that may affect its net fiscal impact.

- **New Rate Structures for FFAs and STRTCs Are Still Under Development.** The new rate structures currently under development will take into account the new requirements of CCR—accreditation, mental health certification, CFT, and the augmented slate of core services that FFAs and STRTCs must provide. The near finalization of regulations surrounding new core service requirements is a precondition to the final adoption of a rate system since the payments providers receive must take into account the services they will be required to provide. Moreover, as previously noted, alternative rate models may be considered that would tie, at least in part, the rate a child's caregiver and service provider receive to the child's needs assessment rather than the child's placement type. Which model is ultimately adopted will likely have important programmatic and fiscal effects, which are unknown at this time.

- **CCR's Net Costs Will Ultimately Depend on Speed of Transition and Finalization of Rates.** The level at which the state sets rates will help determine CCR's fiscal impact. Higher rates for children in STRTCs and FFAs than what the Governor's budget assumes will erode potential savings accruing from transitioning children out of group homes, even more so if that transition is slower or less complete than anticipated. As we have noted, the administration's estimates of foster care payment savings assumes that the rates paid to FFAs and STRTCs will be roughly similar to those in place today. While we recognize that this approach is prudent in the absence of new, finalized rates, using current rates could underestimate the future costs of STRTC and FFA provider payments, potentially underestimating total General Fund costs for CCR implementation. The administration will be releasing the rate structure in March, at which time it should have a better estimate of potential costs and savings.

- **Realignment May Complicate Budgeting for CCR Implementation.** As we have noted, under 2011 realignment, if the state places new requirements on counties, it must provide state resources to reimburse counties for the new costs. Counties are not required to implement any changes in state policy that increase overall program costs unless the state provides funding to cover those increased costs. The Governor's budget attempts to compensate counties for the increased net costs associated with CCR, but as we have noted, current estimates are based on a number of assumptions. We think it is reasonable to assume counties could realize some level of savings as children transition out of group homes and that these savings could be used to offset the state's cost for CCR. However, the net impact on counties will ultimately depend upon the finalization of rates and the speed at which children transition from more costly care. Adding to the uncertainties, there may be wide variation in the speed and level of savings achieved across the various counties.

- **Uncertainties Surrounding Mental Health Services and Certification.** Assembly Bill 403 requires that all STRTCs and FFAs either obtain mental health certification from DHCS or county MHPs or contract with a certified mental health provider. For FFAs and STRTCs, there is some uncertainty around what certification will require and who will be the certifying entity or entities. It is our understanding that counties have concerns that insufficient resources are being provided for MHPs to prepare for the influx of new applicants and potential service recipients should the plans have a direct role in certifying providers and administering services to these additional children. The Governor proposes funding for DHCS and MHPs to carry out CCR–related workload, but the augmentation is limited to what is needed to serve STRTCs. FFAs facing the same rules as STRTCs do not appear to be accounted for in the Governor's mental health–related budget augmentations. It is unclear whether there may be additional General Fund cost pressures associated with the mental health certification of FFAs. DSS is convening a workgroup with DHCS and representatives from the county MHPs to focus on the role of mental health in

CCR. Additionally, the administration is considering legislation that will provide more clarity on the mental health component of CCR.

STAFF COMMENTS AND QUESTIONS

The CCR proposal is an august, monumental shift in the provision of child welfare services in California. The author of AB 403, Assemblymember Stone, has written to the Subcommittee requesting that it discuss the proposed investments in the Governor's Budget "in order to assure that adequate resources will be dedicated to faithfully implement CCR."

The Service Employees International Union (SEIU) has also written requesting special attention to adequate funding for the implementation of the Child and Family Teams, the expansion of the Resource Family Approval Process, and the Foster Parent and Relative Recruitment, Retention, and Support activities. SEIU additionally cites heavy social worker caseloads that continue to remain unaddressed as part of the Governor's CCR funding proposal.

The counties, as a primary agent in implementation to make CCR successful, have raised significant concerns about the possible lack of adequate funding in the Governor's proposal, in addition to concerns regarding potential foreseeable savings. There is ongoing dialogue between the counties and DSS, and an update with remaining priority areas is expected to be shared in the course of this hearing. In the meantime, staff raises the following questions for the Subcommittee in its review of this proposal:

1. On the rates package that remains outstanding from DSS, when will it be released and how much time will be allowed for legislative and stakeholder review? The rates are a key cornerstone as they hold the potential to realize the provision of core and intensive services envisioned as part of AB 403.
2. With January 1, 2017 fast approaching, what tool can be developed and used by DSS, the Legislature, and community stakeholders to measure the progress toward reaching key milestones, timelines, and objectives as multiple strategies on interrelated implementation aspects progress?
3. Post January 1, 2017, what monitoring and reporting mechanism will be used to assess the decreasing reliance on congregate care, the success for increasing capacity for home-based family care, the ability to maintain engagement with foster children/youth and families in implementation, and the viability of the rate-setting structure on an on-going basis?

Staff Recommendation:

Staff recommends holding all issues in CCR open pending further discussion and consideration.

ISSUE 2: CWS AND FOSTER CARE: PROGRAM OVERSIGHT AND ADDITIONAL GOVERNOR'S BUDGET PROPOSALS

PANEL

- Will Lightbourne, Director, and Greg Rose, Chief, Children and Family Services Branch, California Department of Social Services
  - DSS is asked to provide an implementation update for the programs listed under this Issue.
  - DSS is also asked to present briefly on each of the two Budget Change Proposals summarized in this agenda.
- Ryan Woolsey, Legislative Analyst's Office
- Ben Johnson, Legislative Analyst's Office
- Chi Lee, Department of Finance
- Public Comment

PROGRAM OVERSIGHT

The administration has provided the following updates on program implementation and will present briefly on each of these efforts.

Approved Relative Caregiver (ARC) Funding Option. The ARC Program increased payments to children placed with relative caregivers who do not qualify for state or federal foster care benefits. Previously, these children only were eligible for CalWORKs benefit rate levels, which are much lower than foster care benefits. The ARC Program is county-optional and provides General fund (GF) for participating counties to increase the monthly payments to approved relative caregivers in an amount equal to the basic federal foster care rate. A county may opt out of the program at any time, but must meet notification and other requirements. Eligibility criteria include:

- Relative caregivers must be approved and live in California and meet health and safety standards that mirror those for licensed foster parents.
- Children must be under the jurisdiction of the juvenile court in a county that has opted in to the ARC program and are not federally eligible under Title IV-E of the Social Security Act.

Funding:

	FY 2015-16	FY 2016-17
Total	$30.1 million	$31.8 million
Federal	$0	$0
State	$30.1 million	$31.8 million
County	$0	$0

- Funding for ARC payments is capped and consists of CalWORKs and GF. Any costs that exceed the GF cap are paid with county funds.
- Counties provided CDSS a final base caseload of eligible relative caregivers on October 1, 2015 which was used to calculate the $30.1 million.
- The ARC payments are adjusted annually for inflation in accordance with the California Necessities Index.
- There are 6,200 cases eligible for ARC payments. Currently 48 counties have opted in and account for approximately 4,700 cases.

Implementation Status.

- A total of 48 counties opted in: Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, El Dorado, Fresno, Glenn, Humboldt, Inyo, Kern, Kings, Lake, Los Angeles, Madera, Marin, Mariposa, Mendocino, Mono, Monterey, Napa, Nevada, Orange, Placer, Plumas, Sacramento, San Benito, San Diego, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Shasta, Solano, Sonoma, Stanislaus, Tehama, Trinity, Tulare, Ventura, Yolo, and Yuba. Riverside County will begin participating on April 1, 2016.
- Eleven counties opted to make payments retroactive to January 1, 2015: Kings, Lake, Los Angeles, Napa, San Diego, San Francisco, San Joaquin, Santa Clara, Sonoma, Stanislaus, and Ventura.

Commercially Sexually Exploited Children (CSEC) Efforts. The state CSEC program was established as a county opt-in program that provides county child welfare agencies funding to develop interagency protocols to coordinate with other county agencies to handle CSEC cases, train caseworkers and out-of-home caregivers and educate children and youth on how to avoid exploitation. Funding was also provided to 35 counties who submitted a plan to opt-in to the CSEC Program. The counties were separated into two tiers: 13 Tier I counties received $25,000 to develop Interagency Protocols and 22 Tier II counties received enhanced funding based on their prevalence of CSEC youth, completion of a CSEC protocol, and the county's readiness to serve. Eligibility includes any child identified as:

- Sexually trafficked, as described in Section 236.1 of the Penal Code;
- Receives compensation for performance of sexual acts; and
- Is unprotected or inadequately protected by caregiver(s) as described in W&IC 300(b).

Shortly after the state program was enacted, federal CSEC legislation was enacted with statewide requirements.

Funding:

	FY 2015-16	FY 2016-17
Total	$19.97 million	$17.09 million
Federal	$3.53 million	$1.88 million
State	$14 million	$14 million
County	$2.44 million	$1.21 million

Eligible Activities.

- Training of foster and other youth on CSEC risks;
- The screening and identification of CSEC training to foster parents, group home staff, social workers, and probation staff; and protocol development and capacity building;
- The federal Preventing and Addressing Child Trafficking (PACT) grant provides $1.25 million over five years to provide support in implementing a best practice model for CSEC and labor-trafficked children which develops an interagency collaborative structure and multi-disciplinary team (MDT). The PACT grant is currently in year three (2016-17) and working with $250,000.

Implementation Status.

- Significant coordination has occurred and continues to be fortified with the county child welfare departments, training entities, and the Child Welfare Council's CSEC Action Team.
- Letters will go out to counties in spring providing them with updated sample protocol tools (developed by the CSEC Action Team) to comply with the federal CSEC Program, instructions on how to opt into the FY 2016-17 state CSEC Program, how to report data when the CWS/CMS system changes take effect in late May 2016, guidance on the many policy changes that social workers and providers are experiencing and the new emphasis on serving this population.
- The CSEC 102: Engagement Skills training is being delivered to all statutorily-required MDT partners as of January 2016. The CSEC 101: Identification and Awareness 90 minute online training module is being made available 24/7 via the California Social Work Education Center.

ADDITIONAL BUDGET CHANGE PROPOSALS

1. **Child Welfare Services Case Reviews BCP.** The Budget requests staff resources (7.0 positions) totaling $791,000 ($396,000 General Fund) to establish a Child Welfare Services Case Reviews unit in response to the federal Administration for Children and Families (ACF) notification that CDSS oversight of Child Welfare Services is inadequate and needs a proper quality assurance program as required in the Child and Family Services Review.

2. **SB 238 and SB 484 – Psychotropic Medication Oversight in Foster Care BCP.** The Budget requests staff resources (5.0 positions) and contracting funding totaling $833,000 ($784,000 General Fund) to meet the requirements of these bills. SB 238 requires monthly county-specific reports for children in foster care who are prescribed psychotropic medications through Medi-Cal. SB 484 is intended to identify and mitigate inappropriate levels of psychotropic mediation use by children in foster care residing in group homes licensed by DSS.

Staff Recommendation:

Staff recommends holding all CWS and Foster Care issues open pending further discussion and consideration.

ISSUE 3: CWS AND FOSTER CARE: ADVOCACY PROPOSALS

PANEL

- **Child Care for Foster Children** – Philip Browning, Director, Los Angeles County Department of Children and Family Services
- **Meeting the Requirements of CSEC Mandates –** Frank Mecca, Executive Director, County Welfare Directors Association of California
- **Housing Child-Welfare Involved Families Experiencing Homelessness** – Sharon Rapport, Associate Director of California Policy, Corporation for Supportive Housing
- **Chafee Education and Training Voucher (ETV) Grants to All Eligible Foster Youth –** Ariella Grozbard, Student, UC Davis
- **Pregnancy Prevention Among Foster Youth –** Cerise Grise, Alameda County Social Services Agency
- **Modify Eligibility for Transitional Housing for Former Foster Youth –** Amy Lemley, Policy Director, John Burton Foundation
- **Public Health Nursing and Monitoring of Psychotropic Medication –** Mike Range, Public Health Nurse, Alameda County Department of Public Health
- **Child-Centered Specialized Permanency Services Training –** Gail Johnson Vaughan, Director Emerita/Chief Permanency Officer, Families NOW
- Reaction from Department of Social Services and Department of Finance
- Ben Johnson, Legislative Analyst's Office
- Public Comment

Descriptions of each of the advocacy proposals that corresponding panelists will speak to are included under this Issue.

PROPOSALS FOR SUBCOMMITTEE CONSIDERATION

The Subcommittee is in receipt of the following proposals in the Child Welfare Services and Foster Care areas. Each of these will be presented in brief by a designated spokesperson on the panel. The proposals include:

1. **Child Care for Foster Children - $31 M General Fund.** Los Angeles County, joined by a broad-based coalition of advocates, request $31 million for a multi-piece proposal to increase access to child care and enable a larger pool of families to become foster parents, providing a stable home for more children in need. Advocates cite the inability to access child care as a top barrier to finding placement for children removed from their parents due to abuse and neglect. Immediately following a child's removal, resource families, including relative caregivers, struggle to access child care because state child care programs often operate at full capacity. With 38 counties having applied for 2015 Foster Parent Recruitment, Retention, and Support funds in part for child care purposes, the advocates underscore that this is a demonstrated statewide impediment and need.

   This proposal includes the following three pieces. (1) Any resource family needing child care for children ages 0 through 3, as well as parenting foster youth, would receive an immediate, time-limited voucher to pay for child care for up to six months following a child's placement. This voucher would ensure care while the caregiver is at work, school, or fulfilling training and home approval requirements, at a cost of $22 million. (2) Funding of $4 million to support child care navigators through the county Resource and Referral agencies who would work with the resource family to facilitate use of the emergency voucher to ensure a foster child's immediate access to child care and continue to work with the family to facilitate placement in long-term, quality child development setting. (3) Inclusion of $5 million to provide appropriate trauma-informed training for child care providers, with a trainer to cover every county.

2. **Meeting the Requirements of CSEC Mandates - $19.7 M General Fund.** The County Welfare Directors Association of California (CWDA) requests a total $19.7 million in additional General Fund to ensure child welfare agencies can meet their mandate of serving children who are commercially sexually exploited. Recent federal mandates have created an imperative for child welfare agencies to serve this population who has unique and extraordinary needs for service or supports that cannot be met through the traditional child welfare program. As part of the 2014 Budget, SB 855 established the Commercially Sexually Exploited Children (CSEC) Program whereby participating child welfare agencies are required to develop local protocols and multi-disciplinary teams (MDTs) as a pre-requisite to receiving CSEC funding for services. In 2015-16, 40 counties received a portion of the $10.75 million General Fund made available to counties, with 18 counties receiving Tier I funding to support local protocol development and 22 counties with established protocols

receiving Tier II funding to implement those protocols through the provision of direct services to CSEC victims.

In the first year of implementation, counties served 418 CSEC youth (June-September 2015) and are expected to serve over 800 youth in this fiscal year alone. New federal law (Public Law 113-183, signed September 29, 2014) results in additional new mandates beyond SB 855, with an expectation that child welfare agencies provide case management and secure other services and supports to meet the unique and complex needs of CSEC youth. To meet these needs, CWDA requests $16.2 million GF to bring Tier I counties up to Tier II level funding and to fully fund all Tier II counties based on their experience of the service needs for CSEC victims and $3.5 million GF for on-going training of child welfare (including probation) staff to identify, screen, and determine appropriate services for CSEC youth.

3. **Housing Child-Welfare Involved Families Experiencing Homelessness - $10 M General Fund**. The Corporation for Supportive Housing (CSH), Housing California, and Californians for Safety and Justice, joined by a host of other organizations, request consideration of a budget item for “Bringing Families Home,” a county matching grant program to end homelessness among child-welfare-involved families. Evidence shows moving homeless families into permanent housing prevents foster care placement and furthers family reunification. Many local homeless programs have systems to assess a family’s housing needs, and a few counties have begun to create pilots to house homeless child-welfare-involved families. Yet, county child-welfare and housing systems face challenges in building partnerships and “scaling up” housing opportunities. Focused resources spurring county investment would advance collaboration between systems and end the cycle of foster care and homelessness for hundreds of families. Through a competitive application process, DSS would select between two and four counties to receive one-time, five-year grants based on need and county willingness to use funding to build appropriate housing interventions. These models would include supportive and rapid re-housing approaches reaching 135 and 350 families respectively.

   In the fiscal year 2014 budget process, CSH advocated for a $3 million item and last year they requested $10 million. The Assembly funded a portion of the requested amount in its May Revision actions in 2015, but this amount was not ultimately included in the Budget. This year, the sponsors are again requesting $10 million. The Senate has included an unspecified amount for this proposal as part of it’s “No Place Like Home” housing initiative it announced in early January 2016.

4. **Chafee Education and Training Voucher (ETV) Grants to All Eligible Foster Youth - $3.63 M General Fund.** The John Burton Foundation, National Center for Youth Law, Children's Advocacy Institute, and the Alliance for Children’s Rights are requesting $3.63 million GF to provide Chafee Education and Training Voucher (ETV) grants to all eligible foster youth who apply by September 2nd of each year.

They also seek to align the institutional eligibility to receive the Chafee ETV with the criteria applied to institutions who receive the Cal Grant as part of their proposal, which would prohibit the use of Chafee funds at post-secondary institutions that do not meet specified graduation and loan default requirements. Data shows that by age 26, just 8.2% of foster youth have achieved an Associate's Degree or higher, as compared with 46.1% of the same-age peers in the general population.

The sponsors of this proposal contend that there is strong evidence that receipt of the Chafee ETV improves academic outcomes for foster youth in community colleges in California, and that the receipt of the Chafee ETV has also been shown to significantly increase the rate of course completion and the likelihood that the student has a 2.0 grade point average or higher. According to the California Student Aid Commission (CSAC), a total of 4,609 students applied for the Chafee ETV and were determined to be eligible in 2014-15. However, due to insufficient funds, 1 in 4 of those who applied and were eligible received a grant. The current proposal would modify the eligibility such that all students who apply by September 2nd would be entitled to the Chafee ETV for the upcoming school year.

5. **Pregnancy Prevention Among Foster Youth - $10 M General Fund.** The John Burton Foundation with the County Welfare Directors Association of California, the National Center for Youth Law, and the Children's Law Center of California request $10 million for the creation of a county opt-in program to prevent pregnancy among foster youth. A 2014 study found that 26 percent of 17 year olds in foster care in California had been pregnant at least once, a rate that is over ten times higher than that for non-foster youth, aged 15 to 19 in California. The high rate of pregnancy has serious implications for foster youth, whose likelihood of lifelong economic stability is significantly diminished by a teen birth, as well as for their children, who experience high rates of maltreatment and have a disproportionate number of substantiated reports of abuse against them before age 5.

   The sponsors state that over the last 18 months, six counties in California have been testing a series of strategies that can be used to reverse this trend and prevent youth in foster care from becoming pregnant. These counties include Los Angeles, Orange, Santa Clara, Napa, Butte and San Luis Obispo. These counties' efforts have been positive and productive, however, there is currently no dedicated state funding to sustain and expand these activities to all 58 counties. This proposal would support these activities by providing up to $10 million to county child welfare agencies willing to establish policies and procedures and adopt proven strategies. The program would be voluntary and funds would be disbursed by DSS through an application process.

6. **Modify Eligibility for Transitional Housing for Former Foster Youth - $5 M General Fund.** The John Burton Foundation, with a coalition of over 50 community-based organizations, requests $5 million to make the Transitional Housing Program Plus (THP-Plus) available to youth who would be eligible if they were in foster care

on or after age 16, including those who exited to adoption, reunification, or guardianship after age 16, a group not currently eligible for the program. Current eligibility extends to youth if they were in foster care on or after their 18th birthday. According to the Child Welfare Indicators Project at the University of California, Berkeley, a total of 1,600 youth ages 16 to 17 made a final exit from foster care over the 12-month period October 1, 2014 to September 31, 2015. Of this total, 989 exited to reunification, 109 to adoption, 280 to guardianship, 46 to legal emancipation, and 218 were non-specified. The number of these youth is not known precisely, but based on data that suggests that between 10 and 14 percent of these youth will experience homelessness within one ye, the $5 million request is based on 160 youth served for 12 months annually at the average THP-Plus rate of $2,604.

THP-Plus was established by the California State Legislature in 2001 and provides safe, affordable housing and supportive services to youth who turned age 18 while in the foster care or juvenile probation systems. It has been rigorously evaluated and found to improve outcomes in the area of education, health, criminal justice, economic security and housing stability. Currently, THP-Plus is administered by 50 county child welfare agencies and operated by 79 non-profit organizations.

7. **Public Health Nursing and Monitoring of Psychotropic Medication - $1.65 M General Fund.** The National Center for Youth Law, joined by a host of children's advocacy organizations, requests $1.65 million (with an assumed federal match of $4.95 million) to provide the additional staffing to ensure that there is appropriate medication case management within the Health Care Program for Children in Foster Care (HCPCFC) and to meet the requirements of recently passed legislation, SB 319 and SB 238. The sponsors state that more than 9,000 California foster children are being administered psychotropic drugs, which is nearly 25% of children between 6 and 18 in foster care, and 56 percent of children in group homes. Approximately two-thirds of foster children who are administered these medications do not receive basic medical monitoring, follow up visits, or necessary labs.

   This funding would enable the hiring of additional Public Health Nurses (PHNs) to review and monitor psychotropic medication and treatment, assist in scheduling and monitoring appointments, and support court review of treatments. The sponsors contend that without these basic services, the overmedication of foster children can lead to chronic disease management with long-term and increased fiscal implications. Unmonitored psychotropic drugs can cause crippling sedation, morbid obesity memory loss, diabetes, heart disease, irreversible tremors, other long-term disabilities, and, in extreme cases, death. Without funding for additional public health nurses, foster children will continue to lack initial health screenings due to high caseloads and increased responsibilities of PHNs.

8. **Child-Centered Specialized Permanency Services Training - $1.1 M Total Funds.** Families Now proposes an initiative to sponsor a series of introductory training sessions in year 1 of their proposal, building a cohort of implementation pilot

counties using a shared learning model to implement specialized permanency services starting in year 2 and on-going. The investment requested in year 1 is $700,000 General Fund to fund an introduction and orientation to child-centered specialized permanency services in readiness for the implementation of the Continuum of Care reform, set to take place starting January 1, 2017. Introductory trainings would include family finding and engagement, appropriate support services, and an introduction to methodology to track and reinvest savings.

In year 2, the vision is to create a cohort of six pilot counties, with ongoing meetings of these county teams to learn together and from each other, provide and receive technical assistance, learn process and outcome evaluation using developmental evaluation principles, and disseminate annual reports that will track and communicate successes and testimonies.

Staff Recommendation:

Staff recommends holding these advocacy proposals in CWS and foster care open.

ISSUE 4: COMMUNITY CARE LICENSING – BUDGET REVIEW AND GOVERNOR'S BUDGET PROPOSALS

PANEL

- Pat Leary, Chief Deputy Director, and Pam Dickfoss, Deputy Director Community Care Licensing, California Department of Social Services
  - DSS will present an overview and current program update for CCL, including a review of implementation progress associated with the funding and authority provided in the 2014 and 2015 Budgets.
  - DSS is asked to also present briefly on the three Budget Change Proposals (BCPs) as described in the agenda.

- Ginni Bella, Legislative Analyst's Office

- Chi Lee, Department of Finance

- Public Comment

PROGRAM DESCRIPTION

The Community Care Licensing (CCL) division within DSS oversees the licensing of various facilities that can be grouped into three broad categories: child care, children's residential, and adult and senior care facilities. The division is also responsible for investigating any complaints lodged against these facilities and for conducting inspections of the facilities. The state monitors approximately 66,000 homes and facilities, which are estimated to have the capacity to serve over 1.3 million Californians. Additionally, DSS contracts with counties to license an additional 8,700 foster family homes and family child care homes.

CCL Staffing and Facility Monitoring. The roughly 66,000 homes and facilities statewide directly under the regulatory purview of CCL are primarily monitored and licensed by just over 460 licensing analysts. These licensing analysts are located in 25 regional offices throughout the state and are responsible for conducting annually over 24,000 inspections and 14,000 complaint investigations. Current practice is for CCL to conduct random inspections on at least 30 percent of all facilities annually, and law requires each facility to be visited no less than once every five years, but this will change as a result of recent actions in the coming years, discussed further below. Additionally, approximately 10 percent of facilities are required to be inspected annually as a requirement of federal funding or due to poor compliance history.

Prior to 2002–03, most facilities licensed by CCL were required to be visited annually. Visits were used to check for compliance with health and safety requirements designed to protect those in the care of CCL–licensed facilities. Budget–related legislation enacted in 2003 lengthened the intervals between visits for most facilities from one year to five years. Additionally, the legislation included "trigger" language that increased the percentage of annual random inspections, starting with 10 percent of facilities, based on the number of citations issued in the prior year.

The extended interval between visits made CCL more reliant on complaints to identify health and safety violations. This means CCL is primarily identifying noncompliance after the fact, frequently as the result of a complaint where harm has already occurred, rather than identifying and addressing risks that may not have yet resulted in harm. There is concern that relying on complaints may be less effective at protecting the health and safety of clients than a system that detects and addresses issues proactively.

Complaints and Inspections Data. DSS has submitted the following information to the Subcommittee regarding complaints received at CCL.

COMMUNITY CARE LICENSING DIVISION COMPLAINTS AND INSPECTION ANALYSIS					
Year	**Total Complaints Received**	**Total Complaint Visits**	**Total Complaints Over 90 Days**	**Total Inspections**	**Total Furlough Days**
2008	14,112	28,533	656	27,146	
2009	11,633	25,888	1,080	20,107	2 - 3 days
2010	12,953	26,180	770	19,625	1 - 3 days
2011*	12,907	26,298	1,242	21,462	0 - 1 days
2012	12,750	27,270	1,675	24,556	0 - 1 days
2013	13,810	30,022	3,024	26,100	0 - 1 days
2014	13,581	31,803	2,666	29,100	
2015	15,746	35,133	2,626	27,850	

*Hiring Freeze Feb 2011 - Dec 2011

COMMUNITY CARE LICENSING DIVISION COMPLAINT ANALYSIS					
Year	**Total Complaints Received**	**Total Complaint Approved**	**Current Year Net Loss/gain**	**Total Complaints Over 90 Days**	**Total Furlough Days**
2008	14,112	13,456	656	656	
2009	11,633	10,985	648	1,080	2 - 3 days
2010	12,953	13,645	-692	770	1 - 3 days
2011*	12,907	11,960	947	1,242	0 - 1 days
2012	12,750	12,297	453	1,675	0 - 1 days
2013	13,810	12,190	1,620	3,024	0 - 1 days
2014	13,581	14,447	-866	2,666	
2015	15,746	15,313	433	2,626	

*Hiring Freeze Feb 2011 - Dec 2011

Prepared by CCLD Quality Assurance (QA) Unit

March 2016

Complaint Data Sorce:
FAS Visi/Citation Report & Complaint Investigation Report

COMMUNITY CARE LICENSING DIVISION COMPLAINT ANALYSIS 2008 - 2015								
Year	**Total Complaints Rolled Over From Prior Year(s)**	**Total Complaints Received**	**Total Complaints Received + Prior Year(s) Rollover**	**Total Complaint Approved**	**Current Year Net Loss/gain**	**Total Complaints Over 90 Days**	**Total Furlough Days**	**Authorized Positions********
2008		14,112			2,456	656		589.9
2009	2,456	11,633	14,089	10,985	3,104	1,080	2 - 3 days	515.4
2010	3,104	12,953	16,057	13,645	2,412	770	1 - 3 days	513.4
2011*	2,412	12,907	15,319	11,960	3,359	1,242	0 - 1 days	514.9
2012	3,359	12,750	16,109	12,297	3,812	1,675	0 - 1 days	491.9
2013	3,812	13,810	17,622	12,190	5432**	3024**	0 - 1 days	491.3
2014	5,432	13,581	19,013	14,447	4,566	2,666		501.8***
2015	4,566	15,746	20,312	15,313	4,999	2,626		516.8***

*Hiring Freeze Feb 2011 - Dec 2011

**In 2013, CCLD had the highest complaint rollover to next year and highest total complaints over 90 days.

***The 516.8 does not include the 20.5 LPA positions allocated to the Central Complaint and Information Bureau (CCIB) in 2015.

The 501.80 does not include 19 positions allocated to CCIB in 2014.

****Positions include Complaint Specialists

Prepared by CCLD Quality Assurance (QA) Unit

March 2016

Complaint Data Source:
FAS Complaint Investigation Tracking Report

OVERSIGHT OVER RECENT ENHANCEMENTS AND INVESTMENTS

2014–15 Budget Act Funded CCL Quality Enhancements. The 2014–15 spending plan funded the Governor's proposal for quality enhancements and improvements in CCL. This included 71.5 positions and $5.8 million General Fund to (1) create a more robust training program for licensing inspectors, (2) create a quality assurance unit that is trained to detect instances of systemic noncompliance, (3) centralize and make more efficient the application and complaint intake process, and (4) create some medical capacity at DSS to begin considering the increasing medical needs of those in assisted living facilities. The creation of the quality assurance unit was intended in part to address the historical lack of systematic enforcement data to help target enforcement resources to cases with the greatest likelihood of improving compliance. For instances when the license of a facility is suspended or revoked, budget–related legislation allows for the department to appoint a qualified temporary manager or receiver to: (1) assume responsibility of the operation of the facility and assist in bringing it into compliance, (2) facilitate the transfer of ownership of the facility to a new licensee, or (3) coordinate and oversee the transfer of clients to a new facility if the facility is closing.

2015-16 Changes Included Movement to More Frequent Inspections. The 2015 Budget included an increase of 28.5 positions (13 two–year limited–term positions) and $3 million General Fund in 2015–16 to (1) hire and begin training staff in preparation for an increase in the frequency of inspections for all facility types beginning in 2016–17 and (2) make various other changes intended to strengthen enforcement capacity and improve the quality of care delivered at facilities under the regulatory purview of CCL. The reforms go into effect incrementally through 2018–19. This included a request for additional resources in budget years beyond 2015–16 to fully implement the proposal. When fully implemented, the effort will add a total of 145 new permanent positions within DSS at a cost of $37.3 million General Fund.

The adopted 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 the facility type. To implement this component of the plan, the Governor requested a total of 133 positions, mostly licensing analysts. The Governor envisioned hiring staff beginning in 2015–16 (with five positions) and incrementally through 2018–19 to correspond with the increased workload as the various stages of the proposal go into effect. Once fully implemented, child care facilities would be inspected every three years, children's residential care facilities would be inspected every two years, and adult and senior care facilities would be inspected annually. The CCL division would continue to conduct random inspections on at least 30 percent of all facilities annually as is current practice.

The changes to inspection frequency would go into effect in stages as follows:

- Stage 1 of Increased Inspection Frequency: Sets Inspection Frequency for All Facility Types to at Least Once Every Three Years. Beginning in January 2017, the inspection frequency for child care, children's residential care, and adult and senior care facilities would be set at no less than once every three years.

- Stage 2 of Increased Inspection Frequency: Increases Inspection Frequency for Residential Care Facilities to at Least Once Every Two Years. Beginning January 2018, the inspection frequency for children's residential care and adult and senior care facilities would increase to no less than once every two years. The child care facilities would continue with an at least once every three years inspection frequency.

- Stage 3 of Increased Inspection Frequency: Increases Inspection Frequency for Adult and Senior Care Facilities to at Least Annually. Beginning January 2019, adult and senior care facilities would be inspected at least annually. The children's residential care facilities would continue with an at least once every two years inspection frequency.

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
	Inspections must occur at least once every. . .			
Child care facilities	5 years	3 years	3 years (unchanged from stage 1)	3 years (unchanged from stage 1)
Children's residential care facilities	5 years	3 years	2 years	2 years (unchanged from stage 2)
Adult and senior care facilities	5 years	3 years	2 years	1 year

In response to the Subcommittee's request, CCL provided the following update on the implementation thus far of the changes adopted as part of the 2014 and 2015 Budgets.

As of the end of March 2016, all positions authorized in Fiscal Year (FY) 2014-15 have been filled. For FY 2015-16, of the total authorized, 86% of positions have been filled (within that 86%, those positions established on July 1, 2015, 95% have been filled; and those established on January 1, 2016, 50% have been filled).

For the past two years, DSS has utilized the additional resources to strengthen the infrastructure of the Community Care Licensing Division (CCLD) by implementing many programs which have enhanced best practices, improved resources for licensees and implemented several successful programs identified below:

<u>Quality Assurance Unit -</u>

- CDSS has effectively implemented a Quality Assurance unit which has been extremely helpful to the field and provider industry. This unit has developed and implemented performance dashboards for Adult and Senior Care, Child Care and dashboards are currently being developed for Children's Residential programs. These reports will also be developed for pending complaints and applications, fieldwork efficiencies and timely completion of key workloads.

- The unit has produced documentation of the Most Commonly Cited Deficiencies Analyses for Family Child Care Homes, Child Care Centers, and Residential Care Facilities for the Elderly (RCFE), Adult Residential Care Facilities, Group Homes, and Foster Family Agencies. These tools are utilized by licensing staff and are available to licensees and stakeholders as technical assistance guides.

- This unit also developed and implemented a High Risk Facility Analysis, including in-depth case history reviews for over 1,500 individual facilities from all programs that met the criteria for designation as a high risk facility and a database for ongoing monitoring of facilities identified as High Risk. These analyses provide recommendations for potentially warranted actions, where relevant, for Regional Offices to consider going forward.

Technical Assistance Unit –

- This unit was established in FY 2015-16 with a staff of 5 and has re-instituted provider consultation visits. Working from referrals from Regional Offices, this unit works under an agreement with the provider to identify options for issues of non-compliance.

- Technical assistance provided includes training and sharing of best practices and/or directives; and the identification of grant opportunities to mitigate physical plant issues.

- This unit has published Resource Guides for Group Home licensees on medications management (including psychotropic medications) and for foster families on the Reasonable and Prudent Parent Standard.

- Currently under revision are several additional Resource Guides for other license types including a guide for RCFE licensees on medication management and a group home resource guide for the use of emergency behavioral interventions. These Guides will be posted on our website available to licensees and utilized for plans of corrections.

Centralized Complaint and Information Bureau –

- This bureau was initiated with a staff of 23 to centralize all complaints into a single call center effective January 2015. The call center handles all complaints statewide as well facility informational calls.

- In addition, the department has developed and widely disseminated a 1-888 LET-US-NO toll free phone number that is posted in RCFEs across the state and available to all Community Care Facilities.

- Between January 2015 and March 24, 2016, the call center has responded to approximately 81,000 calls.

Centralized Applications Unit –

- This unit was established in May 2015 with 11 positions to process all new Adult and Senior Care applications as well as monitoring the backlog of previously pending applications throughout the state. This provides greater statewide consistency.

Clinical Expertise –

- Since the hiring of the Registered Nurses in the Adult and Senior Care Program, the nurses have provided Community Care Licensing (CCL) with critical support previously utilized through contract staff.

- The benefit of having clinical staff in the program allows for an understanding of typical assisted living residents and immediate guidance to health related questions in the field. With immediate clinical knowledge, skills and experience it has enhanced the program's ability to quickly address quality of care of residents, address poor performing facilities, and educate struggling operators. Some examples of their participation below:

    - Provided technical assistance with questions in regards to pressure ulcers that may or may not indicate neglect.
    - Provided technical assistance on underlying issues of neglect e.g. received a complaint that facility is not hydrating the resident. During the nurses' record review, discovered that the elderly resident is on 2 antipsychotic medications and was heavily sedated causing the change in level of alertness, decrease intake, hydration and development of pressure ulcers.
    - Conducted research and provided guidance on new medical equipment used in facilities. For example, the nurses received a request from the regional office to look into a facility wanting to admit a resident with Left Ventricular Assist Device (LVAD) that assists the blood from the left ventricle to pump to the aorta, connected to an externally worn control unit and battery pack. Another example we received a request to admit a resident with peritoneal dialysis wanting to be admitted to a facility where her husband was. Nurses were immediately able to assist the field and prevented a delay in field decisions.
    - Participation in developing the Technical Support Program Medication, Hospice, and Dementia guides.
    - Liaison with Licensee clinicians. Visited facilities and met with clinicians.
    - Meeting scheduled with RN stakeholders to develop a community of support between associations and advocacy groups.

Readiness to move to Stage I of Increased Frequency of Visits:

- DSS is committed to ensuring that our licensing staff has all of the knowledge, tools and resources necessary to ensure the health and safety of individuals in care. In preparation to initiate the January 1, 2017, Stage I increase in visit protocol, we have taken major strategic steps.

- Administrative positions established have been critical in these preparations and include critical IT planning; collaborations with the Department of General Services to identify and secure interim and permanent office space; and the planning for the recruitment and developmental needs of incoming licensing staff upon position establishment in July 2016.

- The establishment of the Southern California training unit and expansion of the LPA academy will position us to ensure that our staff have the knowledge, skills and competencies in advance of January 1, 2017 implementation date.

BUDGET CHANGE PROPOSALS FOR CCL

The Governor's Budget includes the following Budget Change Proposals. The administration will present briefly on each of these proposals in their testimony under this item.

1. **CCLD Random Inspections (Technical Fix) BCP.** The Budget requests a technical correction to the DSS 2015-16 Quality Enhancement and Program Improvement BCP. The Budget requests staff resources (20.0 positions) totaling $2.3 million General Fund to perform annual random inspections required by SB 79 (Chapter 20, Statutes of 2015).

2. **Caregiver Background Check – Arrest Only Workload BCP.** The Budget requests staff resources (5.0 positions) totaling $892,000 ($816,000 General Fund) to continue reviewing, investigating, and processing criminal record clearances for individuals with an arrest record seeking licensure, employment, or presence in a licensed community care facility.

3. **AB 1387 – Community Care Licensing Complaints and Appeals Process, and AB 601 – Residential Care Facility for Elderly Ownership Disclosure BCP.** The Budget requests staff resources (2.0 positions) totaling $273,000 General Fund to meet the requirements of these two bills. AB 1387 restructures the process by which licensees of facilities licensed by CDSS may appeal the assessment of a civil penalty or deficiency. AB 601 requires DSS to cross-check with CDPH to present an individual with fines, deficiencies or citations under a different license, from being approved for a license to operate a Residential Care Facilities for the Elderly.

STAFF COMMENTS

The Subcommittee is in receipt of a letter from Assemblymembers Calderon and Mullin requesting consideration of additional funding for CCL to allow it to accomplish additional inspections and reduce the backlog of complaint cases. The letter notes that the Child Care and Development Block Grant requires at least 10 percent of centers be inspected annually and contends that additional funding will speed hiring, training, and the effectiveness of CCL. The letter cites the 2015 Child Care Portfolio that states that only 25 percent of children ages 0-12 in California have a slot available in a licensed care facility while their parent works.

The Subcommittee may wish to question DSS on the ability to meet the CCDBG standard and for a renewed cost estimate on what resources it would take and on what timeline to move to annual inspection for all facilities or for all child care facilities.

Staff Recommendation:

Staff recommends holding all CCL issues open.