

**AGENDA****ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES****ASSEMBLYMEMBER DR. JOAQUIN ARAMBULA, CHAIR****WEDNESDAY, MARCH 29, 2017  
2:30 P.M. - STATE CAPITOL, ROOM 444**

<b>ACTION ITEM</b>		
<b>ITEM</b>	<b>DESCRIPTION</b>	
<b>5180</b>	<b>DEPARTMENT OF SOCIAL SERVICES</b>	
ISSUE 1	IN-HOME SUPPORTIVE SERVICES (IHSS): EFFECTS OF THE COORDINATED CARE INITIATIVE	6
<b>ITEMS TO BE HEARD</b>		
<b>ITEM</b>	<b>DESCRIPTION</b>	
<b>5180</b>	<b>DEPARTMENT OF SOCIAL SERVICES</b>	
<b>4260</b>	<b>DEPARTMENT OF HEALTH CARE SERVICES (FOR ISSUE 1 ONLY)</b>	
ISSUE 1	CONTINUUM OF CARE REFORM (CCR): IMPLEMENTATION UPDATE AND OVERSIGHT	8
ISSUE 2	APPROVED RELATIVE CAREGIVER PROGRAM – GOVERNOR'S TRAILER BILL LANGUAGE (TBL) PROPOSAL #623	19
ISSUE 3	NEAR FATALITIES CASE REVIEWS – GOVERNOR'S BUDGET CHANGE PROPOSAL (BCP) #2	21
ISSUE 4	CHILD WELFARE SERVICES (CWS) AND FOSTER CARE – ADVOCACY PROPOSALS	22
ISSUE 5	COMMUNITY CARE LICENSING (CCL): IMPLEMENTATION UPDATE AND OVERSIGHT	25

ISSUE 6	CONTINUANCE OF CCL STAFFING RESOURCES – GOVERNOR'S BCP #4	35
ISSUE 7	CONTINUE FINGERPRINT LICENSING FEE EXEMPTION – GOVERNOR'S TBL PROPOSAL #622	38
ISSUE 8	DELAY LICENSING REQUIREMENTS FOR PRIVATE ALTERNATIVE BOARDING SCHOOLS AND OUTDOOR PROGRAMS – GOVERNOR'S TBL PROPOSAL #625	40

## LIST OF PANELISTS IN ORDER OF PRESENTATION

Please note that there is no panel listed for the Action Item on IHSS.

**5180 DEPARTMENT OF SOCIAL SERVICES**

**4260 DEPARTMENT OF HEALTH CARE SERVICES (FOR ISSUE 1 ONLY)**

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### ISSUE 1: CONTINUUM OF CARE REFORM (CCR): IMPLEMENTATION UPDATE AND OVERSIGHT

- Will Lightbourne, Director, Greg Rose, Deputy Director, Children and Family Services Division, and Sara Rogers, Branch Chief, Continuum of Care Reform, California Department of Social Services
- Karen Baylor, PhD, LMFT, Deputy Director, Mental Health Services and Substance Use Disorder Services, Department of Health Care Services
- Ben Johnson, Legislative Analyst's Office
- Kris Cook and Chi Lee, Department of Finance
- Public Comment

### ISSUE 2: APPROVED RELATIVE CAREGIVER PROGRAM - GOVERNOR'S TRAILER BILL LANGUAGE (TBL) PROPOSAL #623

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

### ISSUE 3: NEAR FATALITIES CASE REVIEWS – GOVERNOR'S BUDGET CHANGE PROPOSAL (BCP) #2

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

### ISSUE 4: CHILD WELFARE SERVICES (CWS) AND FOSTER CARE – ADVOCACY PROPOSALS

- Emergency Child Care Bridge – Assemblymember Tony Thurmond and Brandon Nichols, Acting Director, Department of Child and Family Services, Los Angeles County DCFS
- Enrichment Activity Grants for Foster Youth – Assemblymember Dante Acosta

- Medical Review for Psychotropic Medications – Anna Johnson, Senior Policy Associate, National Center for Youth Law and Tisha Ortiz, Former Foster Youth Advocate, Student at California State East Bay
- Foster Care Public Health Nurses – Tia Orr, Service Employees International Union – California and Donieta Harmon, Public Health Nurse, Los Angeles County
- Reaction and Feedback from Department of Social Services, Department of Finance, and Legislative Analyst's Office
- Public Comment

**ISSUE 5: COMMUNITY CARE LICENSING (CCL): IMPLEMENTATION UPDATE AND OVERSIGHT**

- 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

**ISSUE 6: CONTINUANCE OF CCL STAFFING RESOURCES – GOVERNOR'S BCP #4**

- 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

**ISSUE 7: CONTINUE FINGERPRINT LICENSING FEE EXEMPTION – GOVERNOR'S TBL PROPOSAL #622**

- 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

**ISSUE 8: DELAY LICENSING REQUIREMENTS FOR PRIVATE ALTERNATIVE BOARDING SCHOOLS AND OUTDOOR PROGRAMS – GOVERNOR'S TBL PROPOSAL #625**

- 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

## ACTION ITEM

### 5180 DEPARTMENT OF SOCIAL SERVICES

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#### ISSUE 1: IN-HOME SUPPORTIVE SERVICES (IHSS): EFFECTS OF THE COORDINATED CARE INITIATIVE

- Public Comment will be taken on this issue. There is no speaking panel.

#### REVIEW

The Subcommittee heard this issue at its March 8, 2017 hearing, when a delay of the action was requested by some stakeholders. The issue was intended to be reheard on March 22<sup>nd</sup>, however the Subcommittee held a joint hearing on health issues that day, postponing the action until this hearing.

It is the Subcommittee's intent to hear public comment on this issue and then to consider action, per the below, which is unchanged (aside from a correction of the General Fund savings amount from \$626 to \$623 million) from the recommendation that appeared previously. Please see the Subcommittee's full March 8 agenda at <http://abgt.assembly.ca.gov/sub1hearingagendas> for additional background and context on this issue.

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#### Staff Recommendation:

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Staff recommends that the Subcommittee take the following action to mitigate the fiscal challenges posed by the impact on IHSS of the Governor's action related to the CCI and the IHSS MOE:

1. **Reestablish the IHSS County Maintenance of Effort (MOE) and increase the amount** by \$623 million, reinstating the previously applicable 3.5% annual growth factor. This achieves and locks in the General Fund savings included in the Governor's proposed budget for 2017-18 and future years.
2. **Recognize that 1991 Realignment Sales Tax Growth Funds will grow** over time to ultimately cover and then exceed the increased County MOE costs. It is important to note that it will take several years for revenue growth in the funds to fully cover the new costs of the increased MOE.
3. **Protect county budgets by supplementing 1991 Realignment funds with other state funds until growth funds fully cover the new costs of the increased MOE.** This supplement would come from a newly created state special fund called the **County Budget Protection Fund**, which would be funded with transfers from available balances of other state funds. This Fund would provide a temporary supplement to Realignment revenues to allow IHSS to be fully funded without

impacting county budgets in any adverse way. Once the Realignment revenues exceed the new level of increased MOE costs, excess Realignment revenues would replenish the County Budget Protection Fund and then transfer back to the special fund reserves. Preliminary estimates are that the County Budget Protection Fund would need to provide roughly \$500 million to cover the first year of the shortfall, with this amount decreasing every year until the supplement is no longer needed after approximately seven years.

4. **Consistent with this action, retain the California IHSS Authority, or Statewide Authority**, where ultimately wages and benefits for providers would be collectively bargained. The approach on how counties would enter the Statewide Authority in the absence of connection to the CCI will be addressed in the coming weeks as the spring budgeting process unfolds.

This action accomplishes the following:

- Secures the General Fund savings included in the Governor's proposed budget.
- Protects county budgets from having to cover any of the increased IHSS costs. All increased costs shifted to counties will be covered by growth in 1991 Realignment Funds and by the state-funded supplement issued through the County Budget Protection Fund. Therefore, any cost pressures caused by the ending of the CCI on any other area of county budgets, county programs, and county employees are eliminated.
- Protects county budgets from future spikes in IHSS program costs, since the MOE will cap the county costs while the state will take on the risk of increased program costs.
- Retains the Statewide Authority to negotiate wages and benefits, ultimately for all 58 counties, which corresponds to the State maintaining control over the policy levers that result in fiscal changes to the IHSS program given the retention of the fixed costs of the increased county MOE.

**ITEMS TO BE HEARD****5180 DEPARTMENT OF SOCIAL SERVICES****4260 DEPARTMENT OF HEALTH CARE SERVICES (FOR ISSUE 1 ONLY)****ISSUE 1: CONTINUUM OF CARE REFORM (CCR): IMPLEMENTATION UPDATE AND OVERSIGHT****PANEL**

- Will Lightbourne, Director, Greg Rose, Deputy Director, Children and Family Services Division, and Sara Rogers, Branch Chief, Continuum of Care Reform, California Department of Social Services
  - Please present on the status of CCR implementation, including changes and adjustments made and why since the 2016 Budget enactment.
- Karen Baylor, PhD, LMFT, Deputy Director, Mental Health Services and Substance Use Disorder Services, Department of Health Care Services
  - Please present on what DHCS is doing to ensure that mental health services are appropriately available and provided to foster youth in the CCR.
- Ben Johnson, Legislative Analyst's Office
- Kris Cook and Chi Lee, Department of Finance
- Public Comment

**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 preservation 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.

<b>CONTINUUM OF CARE REFORM BACKGROUND</b>
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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.

**From Group Home to Home-Based Care.** 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 Adopted in Law and Implementation Begins.** The Continuum of Care Reform (CCR) is a multi-year effort to reduce the reliance on group home placements and develop a more robust supply of home-based family settings for foster youth, while providing families with the resources necessary to support foster youth as much as possible. The Child Welfare Services (CWS) branch of the Department of Social Services (DSS), in conjunction with counties, is responsible for overseeing this large-scale overhaul of the foster care system. Implementation began on January 1, 2017, and will continue over the course of the next several years, during which it will be important to ensure that DSS and the counties are communicating and working closely

together in order to provide the smoothest transition for foster youth and deliver on the promises of CCR.

Some of the main components of the CCR include:

- Creation of Short-Term Residential Treatment Placements (STRTPs), which are intended to provide short term, therapeutic services to stabilize children so that they may quickly return to a home-based family care setting.
- Foster Family Agencies (FFAs) and STRTPs will be required to ensure access to specialty mental health services and strengthen their permanency placement services.
- Additional integration between child welfare and mental health services.
- FFAs and STRTPs are required to obtain and maintain accreditation from a nationally recognized body in order to improve quality and oversight. CCR also calls for the development of publicly available FFA and STRTP performance measures.
- Resource Family Approval (RFA) is a new, streamlined assessment that replaces the existing multiple approval, licensing, and certification processes for home-based family caregivers.
- The required use of child and family teams (CFTs) in decision-making.
- The creation of a new, comprehensive strengths and needs assessment upon entering the child welfare system in order to improve placement decisions and ensure prompt access to supportive services.
- New Home-Based Family Care rate structure, which is based on child need.

The core of child welfare services (CWS) is made up of four components, and the below indicates how these alter under implementation of the CCR:

- Emergency Response: Investigations of cases where there is sufficient evidence to suspect that a child is being abused or neglected.
- Family Maintenance: A child remains in the home, and social workers provide services to prevent or remedy abuse or neglect.
- Family Reunification: A child is placed in foster care, and services are provided to the family with the goal of ultimately returning the child to the home.

- Other Placements: Permanency services to a child who is unable to return home and offers an alternative family structure, such as legal guardianship or independent living. Temporary placement types. Traditionally, there have been three major temporary placement types — a foster family home (FFH), foster family agency (FFA), or group homes:
  - FFHs are licensed residences that provide for care up to six children. This placement type also includes relative caregivers. Under CCR, these families are known resource families.
  - FFAs are private, nonprofit corporations intended to provide treatment and certify placement homes for children with higher level treatment needs. Under CCR, FFAs are also considered resource families.
  - Lastly, group homes are licensed to provide 24-hour non-medical residential care in a group setting to foster youth from both the dependency and delinquency jurisdictions. Under CCR, however, group homes are being phased out and STRTPs replace them. As of January 1, 2017, group homes are no longer a placement option (subject to case-by-case exceptions that may allow them to continue to operate for a period of time). STRTPs will provide care, supervision, and expanded services and supports. Additionally, FFAs and STRTPs 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. AB 403 also requires FFAs and STRTPs to make educational, health, and social supports available.

**Group Home Stays and Costs.** According to the department's 2015-16 CWS Realignment Report, for the largest age group category, 13-17 years old, of the 4,737 children, the majority (45 percent) move out of group home placements in less than 12 months; longer stays (12-36 or more months) comprise the remaining 55 percent (2,619). The foster youth in group home care will transition to alternative placements. In 2017-18, the department assumes that 115 group home placements will move to an intensive services foster care placement; 345 group home placements will move to an STRTP placement; and 515 group home placements will move to a family-based setting. The remaining 4,630 group home placements will not yet transition. Below is a table for 2017-18, based on data from DSS, that shows caseload movement from group homes.

Prior to CCR, group home facilities were organized under a system of rate classification levels (RCLs) ranging from 1-14 that are based on levels of staff training and ratios. In practice, a majority of group homes were RCL 10 and above, with nearly 50 percent of groups homes at RCL 12. As of 2015-16, group home placements constituted 13 percent of foster care placement and represented 48 percent of total foster care costs.

Group home rates were based on the level of care and services provided, ranging from \$2,332 to \$9,879 per month.

**CCR Rates.** Reimbursement rates for 14 separate group home levels will be replaced by a new set of rates that is based on the needs of the child, which will be determined by a still in development assessment tool to be used by county social workers and child and family teams, unlike the previous structure which centered around the age of the child. These new rates are intended to reflect the expanded set of responsibilities of STRTPs and FFAs under CCR. With the passage of the 2016-17 budget, the Legislature approved the Administration’s proposed Home-Based Family Care (HBFC) Rate structure shown below:

**Continuum of Care Reform (CCR) Summary\***  
**Home-Based Family Care Rate Structure**  
 Based on Level of Care (LOC)

<b>A Pay to Resource Family for Basic Rate</b>		<b>Basic Level</b>	<b>LOC-2</b>	<b>LOC-3</b>	<b>LOC-4</b>
Basic Rate		\$889	\$989	\$1,089	\$1,189
<b>B Pay to Foster Family Agency</b>		<b>Basic Level</b>	<b>LOC-2</b>	<b>LOC-3</b>	<b>LOC-4</b>
Basic Rate		\$889	\$989	\$1,089	\$1,189
Social Worker		\$340	\$340	\$340	\$340
Social Services & Support		\$156	\$200	\$244	\$323
RFA		\$48	\$48	\$48	\$48
Administration		\$672	\$672	\$672	\$672
<b>Total</b>		<b>\$2,105</b>	<b>\$2,249</b>	<b>\$2,393</b>	<b>\$2,572</b>
<b>C Pay to Resource Family for Intensive Services FC (ISFC)</b>					
ISFC Rate		\$2,321			
<b>Pay to Foster Family Agency including ISFC Administration</b>					
ISFC Administration		\$3,482			
ISFC Social Services & Support		\$200			
<b>Total</b>		<b>\$6,003</b>			
<b>D Pay to Short-Term Residential Therapeutic Program (STRTP)</b>					
STRTP Rate		\$12,036			
<b>E Pay to Foster Family Agency or Community Based Organizations for Services Only</b>					
<b>Total Rate</b>		<b>\$771</b>			

The FFA rate is separated into two components. The first goes to the family caregiver as an assistance payment, and the second goes to the FFA for administrative and social work activities. Similarly, the Therapeutic Foster Care (TFC) model divides the TFC rate into two components, one of which is paid to the TFC caregiver and the second which is paid to the FFA for administrative and supportive services. CCR also allows counties to pay FFAs to provide services to children who are not placed in FFAs, allowing children in relative and county-approved homes to access supportive services if the county chooses to provide funding. The rates paid to FFAs to provide these services are called the FFA services only rates.

**Child Welfare Realignment.** In 2011, Governor Brown and the Legislature realigned several programs, including child welfare and foster care, and shifted program and fiscal responsibility for nonfederal costs to California's 58 counties. General Fund revenues, which were formerly provided to the counties for child welfare and probation, have been realigned to counties as a revenue stream in the form of a portion of the state's sales tax. The state retains child welfare oversight and serves as the agency for federal funding and administration. Counties must meet all state and federal mandates in CWS and Probation.

#### BUDGET OVERVIEW

**Overall Estimate Changes.** The Governor's Budget includes approximately \$6.0 billion total funds (\$332.2 million General Fund) in 2016-17 for Children and Family Services programs. In 2016-17, there is a net decrease of \$4.8 million total funds (\$3.6 million General Fund increase) from the 2016 enacted budget, primarily due to updated Foster Care caseload projections, slightly offset by a one-time payment of the Relative Foster Care Home Disallowance.

The 2017-18 Governor's Budget includes approximately \$6.2 billion total funds, (\$408.6 million General Fund) for children's programs. There is a net increase from the 2016 enacted budget of \$203.8 million total funds (\$80.0 million General Fund) due in large part to the Child Welfare Digital Services (CWDS) Project, implementation of the Continuum of Care Reform (CCR), and implementation of the Approved Relative Caregiver (ARC) Program.

**Caseload Changes.** The average monthly Aid to Families with Dependent Children-Foster Care caseload is projected to decrease 5.7 percent from the previous projection to 43,102 cases in 2016-17. The caseload is projected to increase to 43,129 in 2017-18.

**Continuum of Care Reform.** The Governor's Budget includes \$192.3 million (\$150 million General Fund) and revises the timeline for DSS, county child welfare agencies, and county probation departments for implementation of the CCR. Cost components of the CCR include:

- The CCR assistance costs reflect updates to foster care caseloads, which were previously held to the 2016-17 Governor's Budget. This includes revised assumptions as to the number of cases that will transition out of group homes. In 2017-18, it is assumed that 115 group home placements will move to an intensive services foster care (FC) placement; 345 group home placements will move to a short-term residential therapeutic program placement; and 515 group home placements will move to a family-based setting. The remaining 4,630 group home placements will not yet transition.
- The 2017-18 Governor's Budget also reflects a phased approach and updated pace of CCR implementation due to the timing limitations of the necessary automation changes. Phase I, which establishes the basic rate, implemented January 1, 2017. Phase II, which will implement the various levels of care for the Home-Based Family Care rate structure, is anticipated to begin December 1, 2017.
- The 2017-18 costs, \$9.1 million total funds (\$2.6 million General Fund), reflect program reinvestments (assistance placement savings beginning July 1, 2017). According to the Administration, these CCR assistance placement savings will be used to offset CCR administrative costs. The 2017-18 administrative costs reflect a full-year of funding for Child and Family Teams and implementation of the Resource Family Approval process.
- Effective January 1, 2017, the basic level rate of \$889 is paid for all new placements in one of the following settings: county foster family homes, relatives (including both federal and non-federal relative cases and regardless of participation in the ARC Program), non-relative extended family members, non-minor dependent in a supervised independent living placement, Kinship-Guardianship Assistance Payment placements, Nonrelated Legal Guardians, and Adoption Assistance Program placements. Current placements (cases existing prior to January 1, 2017) identified above that are receiving a basic rate less than the basic level \$889, effective January 1, 2017, receive a rate increase up to the basic level rate.

## Continuum of Care Reform (CCR) Summary\*

The CCR has costs listed in several sections in the budget tables. This chart provides a consolidated view of all of the costs included in the budget tables for FY 2016-17 and FY 2017-18 for the CCR.

(in 000's)

Item	2017-18 Governor's Budget					
	FY 2016-17			FY 2017-18		
	Total	Federal <sup>1</sup>	Non-Federal	Total	Federal <sup>1</sup>	Non-Federal
Home-Based Family Care Rate	\$22,212	\$1,117	\$21,095 <sup>2</sup>	\$10,574	-	\$10,574 <sup>3</sup>
Foster Family Agency – Social Worker Rate Increase	\$3,786	-	\$3,786	-	-	-
Accreditation	\$2,827	\$1,414	\$1,413	\$2,827	\$1,414	\$1,413
Contracts	\$10,485	\$4,929	\$5,556	\$11,925	\$5,650	\$6,275
Second Level Administration Review	\$29	\$6	\$23	\$62	\$12	\$50
Child and Family Teams	\$27,441	\$5,423	\$22,018	\$54,399	\$10,643	\$43,756
Foster Parent Recruitment, Retention and Support	\$54,729	\$11,469	\$43,260	\$57,080	\$13,913	\$43,167
Automation	\$500	\$250	\$250	-	-	-
RFA	\$12,042	\$4,012	\$8,030	\$24,904	\$8,169	\$16,735
SAWS	\$6,101	\$3,550	\$2,551	-	-	-
<b>CDSS Local Assistance Total</b>	<b>\$140,152</b>	<b>\$32,170</b>	<b>\$107,982</b>	<b>\$161,771</b>	<b>\$39,801</b>	<b>\$121,970</b>

**Note:**

- 1 Federal Title IV-E funds are not included for the CDSS Title IV-E California Well-Being Project Counties, as federal funds for the Project are capped.
- 2 Includes \$34,000 of county funds for Kin-GAP cases.
- 3 Includes \$94,000 of county funds for Kin-GAP cases.

The chart above does not reflect State Operations costs associated with CCR implementation, which account for the differences in total numbers.

### STAKEHOLDER INPUT AND FEEDBACK

During this time of nascent implementation, stakeholders have weighed in with concerns that may not have an immediate remedy, but that raise questions for continuing monitoring, scrutiny, and improvement as CCR implements over the next few and several years. This feedback centers currently on the condition and assumptions in the Level of Care rates and the planning for the provision of necessary mental health services envisioned as core to the CCR.

The California Alliance of Child and Family Services, a statewide association representing over 130 private, nonprofit child and family serving organizations, is raising the following issues, in summary, in a letter submitted to the Subcommittee:



- Funding for the FFA Interim Rate for Social Services and Support is inadequate to provide what resource families will need to care for youth who previously would have been placed in group homes. Presumed payment for these services by counties is questionable.
- Presumed reliance on Medi-Cal's EPSDT program by DSS is questionable. This funding arrangement can only be accessed for youth who meet medical necessity criteria for specified behavioral health services, and county mental health plans cannot be compelled to contract with FFAs for those services.
- The FFA Interim Rates contain no funding for permanency-related activities including family finding and engagement, supervised visitation between foster children and their parents and siblings, adoption services, or post-permanency support after children leave foster care to return home, go to live permanently with other family members, or are adopted. Periodic adjustments to the rate to ensure adequacy are also urged.

The Alliance additionally advocates for the preservation of the Private Adoption Agency Reimbursement Program (PAARP) until July 2019 when its interaction with CCR outcomes is better known.

Child welfare stakeholders and legislative staff have also articulated questions regarding the measurement and outcome indicators to show the actual provision of mental health services under the CCR implementation. This invites a conversation about a reassessment of how the services are reported and documented, which will help to indicate the true measurement of mental health service and therapy provision.

#### **STAFF COMMENTS AND QUESTIONS**

Last year, under the Subcommittee's leadership, Supplemental Report Language (SRL) was adopted requiring regular implementation oversight meetings to be held with Legislative staff and relevant stakeholders. These took place starting in August 2016 and continue in the current calendar year on a quarterly basis. The SRL was specific as to indicators and components to be tracked over time and has resulted in a helpful continuing dialogue on this intricate, complicated, and large-scale reform effort.

Given the recent questions about rates, presumed payment, and measuring the actual provision of mental health services, the SRL could be updated and clarified to facilitate enhanced transparency and understanding of these key components within the CCR.

Below are questions related to these issues being raised by stakeholders:

- How will the more permanent rates (after the interim rates) be developed? How will the Legislature and stakeholders be included? What is the vision for how they might be adjusted in the future?

- How much are county realignment funds assumed as payment for services and permanency work in the CCR? Is this agreed with the counties?
- How will the state know if mental health services provided to children and foster families are effective in meeting their needs? What are the potential pitfalls and challenges here and how will DHCS and DSS work to avoid them?
- Is DHCS tracking county implementation of Therapeutic Foster Care? How?
- How is DHCS tracking whether mental health services are being provided to all children who need these services? For children placed with relatives?
- What is the state's approach to ensuring enough capacity in all of the counties to provide mental health services to foster children?

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**Staff Recommendation:**

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Staff recommends holding all issues in CCR open pending further discussion and consideration. CCR estimates are also likely to alter at the May Revision.

Staff additionally suggests that the Subcommittee consider asking for updated/revised SRL for the CCR implementation effort to be considered and adopted as part of the May Revision hearings. Staff, working with DSS, DOF, LAO, and stakeholders, could be directed to pursue this option to respond to issues being raised by stakeholders who have weighed in on the implementation of CCR thus far.

**5180 DEPARTMENT OF SOCIAL SERVICES****ISSUE 2: APPROVED RELATIVE CAREGIVER PROGRAM - GOVERNOR'S TRAILER BILL LANGUAGE (TBL) PROPOSAL #623****PANEL**

- Will Lightbourne, Director, and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
  - Please describe the trailer bill language proposal.
- Ben Johnson, Legislative Analyst's Office
- Chi Lee, Department of Finance
- Public Comment

**TRAILER BILL PROPOSAL**

DSS proposes to modify the ARC program, which provides assistance payments to non-federally eligible relative caregivers equal to federal payment levels in participating counties, consistent with implementation of the Continuum of Care Reform (CCR).

**Background.** The ARC program, enacted in 2014 by SB 855 (Chapter 29, Statutes of 2014), allows counties that opt in to provide payments to federally ineligible relative caregivers of an amount equal to the foster care basic rate received by federally eligible relative caregivers of dependent children. Approved relatives in these counties receive a grant payment which consists of funds from CalWORKs, the state General Fund, and the county, if necessary. A total of 48 counties opted in and currently participate in the ARC program.

The eligibility criteria are:

- 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 must not be federally eligible under Title IV-E of the Social Security Act.

**TBL Proposal.** Consistent with CCR implementation, AB 1603 (Committee on the Budget, Chapter 25, Statutes of 2016) effective January 1, 2017, allows all relatives who are approved under the Resource Family Approval process to receive an amount equal to the resource family basic rate, regardless of federal eligibility.

Consistent with the implementation of CCR, all relative caregivers are required to receive the same rate regardless of federal eligibility. This proposed language also eliminates the continuous General Fund statutory appropriation for the program and shifts program costs to the annual Budget Act.

#### **STAKEHOLDER INPUT AND FEEDBACK**

The Alliance for Children's Rights writes with a request for further changes to fix the statutory language in two sections of statute:

- That which pertains to the rate paid to support the infant/child of a parenting youth ("infant supplement").
- The rate paid to children who are both foster youth and regional center clients ("dual agency rate").

These two rates are in stand-alone sections of the statute and conforming changes were not made when the overall changes were adopted last year, making them inconsistent with the goal of rate equity irrespective of placement. Advocates urge that the clean-up adjustments be adopted as part of the trailer bill process in this current cycle.

#### **STAFF COMMENTS AND QUESTIONS**

The Subcommittee is in receipt and reviewing the requests made by the advocates.

The Subcommittee may consider asking the following:

- What is the Administration's intent regarding the clean-up issues related to rate equity expressed by the advocates?
- What are the implications and potential costs of not making these changes for 2017-18?

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#### **Staff Recommendation:**

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Staff recommends holding this trailer bill proposal open and that the Subcommittee urge the creation of a working group, to include Legislative staff, the Administration (DSS and DOF), LAO, and advocates to meet on the issues being raised by the advocates with both (1) the trailer bill as proposed and (2) to resolve issues to achieve rate equity that were mistakenly omitted as part of the statutory changes adopted last session and warranting current clean-up. If possible, a consensus, revised trailer bill proposal could be considered for adoption at the May Revision.

**ISSUE 3: NEAR FATALITIES CASE REVIEWS – GOVERNOR'S BUDGET CHANGE PROPOSAL (BCP) #2****PANEL**

- Will Lightbourne, Director, and Greg Rose, Deputy Director, Children and Family Services Division, California Department of Social Services
  - Please present on the budget change proposal.
- Ben Johnson, Legislative Analyst's Office
- Chi Lee, Department of Finance
- Public Comment

**BUDGET CHANGE PROPOSAL**

The Governor's Budget proposes permanent resources, including 4.0 positions and \$483,000 (\$282,000 General Fund) in funding to continue compliance with federal requirements to review and report on child near fatalities as required by AB 1625 (Chapter 320, Statutes of 2016). This recent legislation brought California into compliance with the federal Child Abuse Prevention Treatment Act (CAPTA).

This legislation is projected to double the annual number of near fatality cases reported to DSS and requires additional staff time to review each near fatality incident to analyze statewide trends and systemic issues, conduct onsite reviews, and respond to public record act (PRA) requests consistent with the work performed for child fatalities. DSS has six staff performing this work for fatalities and the addition of near fatality incidents require the four additional staff requested by this proposal.

**STAFF COMMENTS AND QUESTIONS**

The Subcommittee has heard of no issues being raised with this request. The statute enacted last summer (August 2016) was developed in partnership with many key stakeholders in the child welfare and advocacy community. The Subcommittee may wish to ask the following:

- How has implementation of the new law proceeded?

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**Staff Recommendation:**

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Hold open.

**ISSUE 4: CHILD WELFARE SERVICES (CWS) AND FOSTER CARE – ADVOCACY PROPOSALS****PANEL**

- Emergency Child Care Bridge – Assemblymember Tony Thurmond and Brandon Nichols, Acting Director, Department of Child and Family Services, Los Angeles County DCFS
- Enrichment Activity Grants for Foster Youth – Assemblymember Dante Acosta
- Medical Review for Psychotropic Medications – Anna Johnson, Senior Policy Associate, National Center for Youth Law and Tisha Ortiz, Former Foster Youth Advocate, Student at California State East Bay
- Foster Care Public Health Nurses – Tia Orr, Service Employees International Union – California and Donieta Harmon, Public Health Nurse, Los Angeles County
- Finance, and Legislative Analyst’s Office
- Public Comment

**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. **Emergency Child Care Bridge - \$31 million General Fund.** Children Now, LA Chamber, Los Angeles County, and a broad-based coalition of advocates request \$31 million for a multi-piece proposal to increase access to child care for child welfare involved youth and to 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 as well as parenting foster youth and nonminor dependents, would receive an immediate, time-limited voucher/payment to pay for child care for up to six months following a child’s placement. This voucher/payment 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 \$5 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/payment 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 \$4 million to provide appropriate trauma-informed training for child care providers, with a trainer to cover every county.

**2. Enrichment Activity Grants for Foster Youth - \$15.25 million General Fund.**

Assemblymember Dante Acosta proposes this amount to provide grants of \$500 or less to qualified foster youth to participate in enrichment activities that enhance the foster youth's skills, abilities, self-esteem, or overall well-being. The amount represents an estimate of 30,500 eligible foster youth receiving a maximum grant award. Examples of these activities include lessons in music, dance, or drama, school trips, college campus visits, test preparation courses, coding and STEM courses, summer camps, graduation festivities, etc. Assemblymember Acosta states that healthy relationships are fostered outside of the classroom through participation in sports, school-sponsored trips, and after-school clubs. Furthermore, enrichment activities are an essential ingredient for all high school students to build a robust and well-versed college application. These activities allow them to be more competitive so that they can eventually advance into higher education.

Assemblymember Acosta states that while California has been a trailblazer in aligning policy with the needs of foster youth, without financial resources, youth are unable to take advantage of the intent of the law and have failed to gain access to activities that are so important for their health and development. He cites that, on average, student in foster care perform at disproportionately lower levels than their peers. Fewer than half graduate from high school and only 3-5% graduate from four-year colleges. Foster youth are more likely to experience suspensions, expulsion, and interactions with the Juvenile Justice System.

**3. Medical Review for Psychotropic Medications – \$80,025 General Fund (\$320,100 Total Funds).**

The National Center for Youth Law proposes this investment partially in reaction to a state audit released in August 2016 that found that California has failed to adequately oversee the prescription of psychotropic medications to foster children. More than 9,500 California foster children are being administered psychotropic drugs, which represents nearly 25% of children between ages 6 and 18 in foster care, and 56 percent of children in group homes. To ensure children only receive psychotropic medications that are appropriate and medically necessary, the State Auditor calls for the development and implementation of reasonable prescription oversight efforts.

This proposal would fund the creation of a medical review program based at DSS. Information about prescriptions would be transmitted from counties to a centralized office at DSS, where it would be evaluated against triggers for additional review. A consultant would be secured to conduct further review and to resolve areas of question, concern, or ambiguity. Best practice guidelines and protocol would be followed for this augmented, more in-depth evaluation, and the prescription could be altered or rescinded as a result to better align with the health and needs of the child.

4. **Foster Care Public Health Nurses - \$3.84 million General Fund (\$15.4 Total Funds).** The Service Employees International Union proposes funding to counties to provide an additional 96 public health nurses for the Public Health Nurses (PHNs) in the Health Care Program for Children in Foster Care (HCPCFC). SEIU states that the appropriation approved last year was modest and made some impact, but more is needed to adequately staff this program to prevent adverse health outcomes from overmedication of foster youth.

In many counties, SEIU states, there are not enough PHNs to meet the medical needs of children in foster care. Due to increased caseloads and responsibilities of PHNs, many foster youth are not provided with initial health screenings. As a result, high-risk health problems are not detected and opportunities for early intervention and prevention are lost, often resulting in long-term health problems and on-going state costs for health and social services. Children on psychotropic drugs that are not adequately monitored are at risk of sedation, obesity, memory loss, diabetes, health disease, tremors, and even death in some extreme cases.

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**Staff Recommendation:**

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



**ISSUE 5: COMMUNITY CARE LICENSING (CCL): IMPLEMENTATION UPDATE AND OVERSIGHT****PANEL**

- Pat Leary, Chief Deputy Director, and Pam Dickfoss, Deputy Director Community Care Licensing, California Department of Social Services
  - Please present an overview and current program update for CCL, including a review of implementation progress associated with the funding and authority provided in past approved budgets.
- 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 73,000 homes and facilities, which are estimated to have the capacity to serve over 1.4 million Californians. Additionally, DSS contracts with counties to license an additional 8,700 (this is a 2016 figure) foster family homes and family child care homes.

The table below indicates facilities licensed by CCL.

<b>Facility Type</b>	<b>Description</b>
<b><i>Child Care Licensing</i></b>	
Family Child Care Home	Less than 24 hour non-medical care in licensee's home.
Child Care Center	Less than 24 hour non-medical care in a group setting.
<b><i>Children's Residential Facilities</i></b>	
Adoption Agency	Assists families in the adoption process.
Community Treatment Facility	24-hour mental health treatment services for children certified as seriously emotionally disturbed with the ability to provide secure containment.
Crisis Nursery	Short-term, 24 hour non-medical care for eligible children under 6 years of age.
Enhanced Behavioral Supports Home	24-hour nonmedical care, in a residential facility or group home, for individuals with developmental disabilities requiring enhanced behavioral supports, staffing, and supervision in a homelike setting.
Foster Family Agency	Organizations that recruit, certify, train and provide professional support to foster parents; and identify and secure out of home placement for children.

Group Homes	24-hour non-medical care provided to children in a structured environment.
Out of State Group Home	24 hour non medical care provided to children in out-of-state group homes identified by counties to best meet a child's specific and unique needs.
Runaway and Homeless Youth Shelter	A group home to provide voluntary, short-term, shelter and personal services to runaway or homeless youth.
Short Term Residential Treatment Program	Provide short-term, specialized, and intensive treatment and will be used only for children whose needs cannot be safely met initially in a family setting.
Foster Family Home	24-hour care for six or fewer foster children.
Small Family Homes	24-hr. care in the licensee's home for 6 or fewer children, who have disabilities.
Temporary Shelter	County owned and operated facilities providing 24-hour, short-term residential care and supervision to dependent children for up to 10 days after removal from their homes due to abuse or neglect.
Transitional Care Facilities for Children	County owned and operated (or non-profit organization under contract with the County) facilities providing short term non-medical care for children to a maximum of 72 hours pending placement.
Transitional Housing Placement	Provides care for 16+ yrs. old in independent living.
<b>Adult &amp; Elderly Facilities</b>	
Adult Day Programs	Community based facility/program for person 18+ years old.
Adult Residential Facilities (ARF)	24-hour non-medical care for adults, 18-59 years old.
Adult Residential Facility for Persons with Special Healthcare Needs	24-hour services in homelike setting, for up to 5 adults, who have developmental disabilities, being transitioned from a developmental center.
Community Crisis Home	24-hour nonmedical care to individuals with developmental disabilities in need of crisis intervention services.
Continuing Care Retirement Communities (CCRC)	Long-term continuing care contract; provides housing, residential services, and nursing care.
Enhanced Behavioral Supports Home	24-hour nonmedical care to individuals with developmental disabilities who require enhanced behavioral supports, staffing, and supervision in a homelike setting.
Residential Care Facilities for the Chronically Ill	Facilities with maximum capacity of 25.
Residential Care Facilities for the Elderly (RCFE)	Care, supervision, and assistance with activities of daily living to eligible persons, usually 60+ yrs. old. Facilities range from 6 beds or less, to over 100 beds.
Social Rehabilitation Facilities	24-hour non-medical care in group setting to adults recovering from mental illness.
<b>Special Agencies</b>	
Certified Family Homes (CFH)	Homes certified by foster family agencies.

**CCL Staffing and Facility Monitoring.** The roughly 73,000 homes and facilities statewide directly under the regulatory purview of CCL are primarily monitored and licensed by 589 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.

<b>OVERSIGHT OVER RECENT ENHANCEMENTS AND INVESTMENTS</b>
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**Recent History.** 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.

**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 are 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 will 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 will 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

As of February 2017, CCL has 1,268 authorized positions and 147 vacancies. There are 140 positions currently in the interview process.

DSS has provided the following table indicating major milestones for CCL:

2013-14	<ul style="list-style-type: none"> <li>Conducted an assessment of the Division which found <b>significant deficiencies</b> in oversight, training, quality assurance and practice.</li> </ul>
2014-15	<ul style="list-style-type: none"> <li>Implemented <b>Centralized Complaint and Investigations Bureau</b> allowing the Division to track and trend the information being report about facilities</li> <li>Established <b>1-888-LET-US NO</b>, a statewide hotline for complaints and facility information</li> <li><b>Tripled training time</b> in the LPA Academy, and increased frequency to bi-monthly</li> <li>Created the <b>Quality Assurance Unit</b></li> <li>Conducted <b>qualitative reviews</b> of case files to ensure staff consistency and accuracy</li> <li>Created <b>Centralized Application Unit</b> to speed processing time, create consistency and free up field staff for RCFE's</li> <li>Established new procedures for ensuring safety at <b>unlicensed facilities</b></li> <li>Conducted Monthly visits to all Regional offices</li> <li>Hired <b>Nursing</b> experts for Adult and Senior Care to provide clinical consultation for field staff</li> <li>Established <b>County Teams</b> – partnering with local Mental Health, Social Services, law enforcement, District Attorneys and others to coordinate efforts on Community Care facilities.</li> <li>Hired permanent managers and created <b>mentoring program</b> for Adult and Senior Care Regional Managers</li> </ul>

	<ul style="list-style-type: none"> <li>• Developed dashboards for Managers and Supervisors to track inspection and complaint times, and assist workload prioritization and identify potential efficiencies.</li> <li>• Established <b>Transparency Website</b> to make real time facility information available online allowing public to see 5 years of history including number of inspections and citations. Includes map, and contact information for regional offices</li> <li>• Facilitated <b>Stakeholder engagement</b> quarterly meetings to advise on policy and practice changes</li> </ul>
2015-16	<ul style="list-style-type: none"> <li>• Developed a Licensing Program <b>Manager Training Academy</b> to train and improve manager performance, ensure consistency and promote best practices.</li> <li>• Significantly changed the process for <b>Arrest-Only Criminal Background checks</b></li> <li>• Developed a <b>Southern CA Training Unit</b></li> <li>• Re-established the <b>Technical Support and Advocacy Unit</b></li> <li>• Conducted an assessment to determine critical <b>training needs</b></li> <li>• Provided staff trainings on <b>investigations, unlicensed facilities, medication management</b></li> <li>• Developed resource guides for use by providers and staff (i.e., RCFE and Children's Group Home Medication Guides, Self-Assessment Guide for Providers to verify compliance)</li> <li>• Began training new staff hired to increase <b>inspections frequency</b></li> <li>• Added <b>inspection reports</b> to <b>Transparency Website</b></li> </ul>
2016-17	<ul style="list-style-type: none"> <li>• Assessed processes and reorganized the <b>Investigations Branch</b> to address delays in completing investigations, and increase focus on most serious cases.</li> <li>• Created Investigations <b>Triage</b> process to quickly assign and track cases</li> <li>• Developed and implemented the <b>Home Care Services Consumer Protection Program</b>; processing over 100,000 applications and criminal background checks to license and register organizations and individuals providing in home care</li> <li>• Developed regulations and interim standards for <b>Continuum of Care Reform</b> efforts including Resource Family Homes, Short Term Residential Therapeutic and Foster Family Agency programs</li> <li>• Began oversight activities of <b>psychotropic medication use</b> on Group home including completion of over 250 case file reviews, interviews with staff, social workers and youth and provision of technical assistance.</li> <li>• Collected and posted information on <b>law enforcement contacts</b> with foster youth in group homes.</li> </ul>

	<ul style="list-style-type: none"> <li>• Conducted <b>Mental Health Symposiums</b> for providers, advocates and staff.</li> <li>• Added <b>Complaint reports</b> to the <b>Transparency Website</b></li> <li>• Developed staff and provider training on <b>medication management and pressure ulcers</b></li> <li>• Increased the <b>frequency of inspections</b> of facilities to every three years from not less than once every five years</li> <li>• Maintained a tracking log to ensure timely inspections</li> </ul>
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**Background Checks.** Applicants, licensees, adult residents, and employees of community care facilities who have client contact must receive a criminal background check. An individual submits fingerprint imaging to the California Department of Justice (DOJ). The Caregiver Background Check Bureau, within CCL, processes and monitors background checks. If an individual has no criminal history, DOJ will forward a clearance notice to the applicant or licensee and to the Caregiver Background Check Bureau. If an individual has criminal history, DOJ sends the record to the Bureau, where staff reviews the transcript and determines if the convictions for crimes may be exempt. For individuals associated with a facility that cares for children, an additional background check is required through the Child Abuse Central Index.

On March 14, 2017, the Bureau of State Audits released its findings related to the Caregiver Background Check Bureau, identifying several areas for administrative and legislative attention. Key recommendations include (1) requiring the Department of Justice to send all the necessary information to DSS to make exemption decisions, (2) expanding the list of crimes that are considered non-exemptible, and (3) requiring departments to share information about administrative actions they take against individuals.

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

**Key Indicator Tool.** After various changes in 2003, and because of other personnel reductions, CCL fell behind in meeting the visitation frequency requirements. In response, DSS designed and implemented the key indicator tool (KIT), which is a shortened version of CCL's comprehensive licensing inspection instruction, for all of its

licensed programs. The KIT complements, but does not replace, existing licensing requirements. A KIT measures compliance with a small number of rules, such as inspection review categories and facility administration and records review, which is then used to predict the likelihood of compliance with other rules. Some facilities, such as facilities on probation, those pending administration action, or those under a noncompliance plan, are ineligible for a key indicator inspection and will receive an unannounced comprehensive health and safety compliance inspection.

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

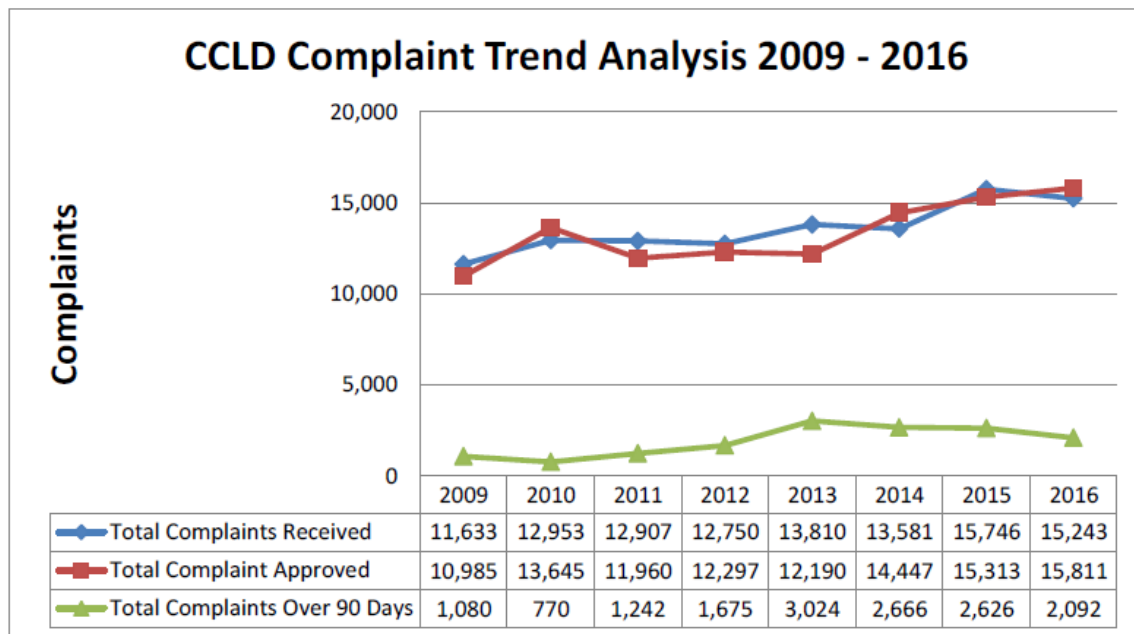
**Complaints.** Complaints are handled at regional offices. Licensing analysts, who would otherwise be conducting inspections, stay in the regional office two times a month, to receive complaint calls and address general inquiries and requests to verify licensing status from the public. CCL is required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



COMMUNITY CARE LICENSING DIVISION COMPLAINT ANALYSIS 2009 - 2016									
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 <sup>1</sup>		Avg. Authorized Positions <sup>2</sup>
2009	2,456	11,633	14,089	10,985	3,104	1,080	2 - 5 mo.	3 - 6 mo.	515.4
2010	3,104	12,953	16,057	13,645	2,412	770	3 - 7 mo.	1 - 4 mo.	513.4
2011	2,412	12,907	15,319	11,960	3,359	1,242	1 - 8 mo.	0 - 4 mo.	514.9
2012	3,359	12,750	16,109	12,297	3,812	1,675	0 - 6 mo.	1 - 6 mo.	491.9
2013	3,812	13,810	17,622	12,190	<b>5,432</b>	<b>3,024</b>	1 - 6 mo.		491.3
2014	5,432	13,581	19,013	14,447	4,566	2,666			501.8 <sub>3</sub>
2015	4,566	15,746	20,312	15,313	4,999	2,626			516.8 <sub>3</sub>
2016	4,999	15,243	20,242	15,811	4,431	2,092			568.8 <sub>4</sub>

Bolded numbers represent highest complaint rollover to next year and total complaints over 90 days

1. Displays the total number of furlough days within the specified period of months for each calendar year. Current Year Net Loss/Gain and Total Complaints Over 90 Days increased annually during the years that furloughs were in effect.
2. Positions include Complaint Specialists.
3. The average authorized positions do not include the LPA positions allocated to the Central Complaint and Information Bureau (CCIB).
4. Total authorized LPA positions as of July 1, 2016. Positions do not include the LPA positions allocated to the CCIB.



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

deposited into the TAF, and are required to be used by the department for technical assistance, training, and education of licensees.

<b>STAFF COMMENTS AND QUESTIONS</b>
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CCL and the frequency of inspections has been an area of interest for the Legislature for decades. Thus, the Administration's quality enhancement initiative undertaken in recent years is an area ripe for oversight and understanding how the program has improved, where it may be experiencing challenges or delays, and what milestones it has been successful in achieving.

In this vein, the Subcommittee may wish to pose the following questions:

- How closely is CCL tracking the inspection frequency as adopted/planned in the Quality Enhancement initiative?
- What is the outcome of the KIT workload study and how is this impacting the current CCL practice?
- What are the key, targeted areas for near-term focus and improvement at CCL?

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**Staff Recommendation:**

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Staff recommends holding all CCL issues open pending the May Revision.

**ISSUE 6: CONTINUANCE OF CCL STAFFING RESOURCES – GOVERNOR'S BCP #4****PANEL**

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

**BUDGET CHANGE PROPOSAL**

The Governor's Budget proposes expenditure authority of \$3.3 million (Special Fund) from the Technical Assistance Fund (TAF) to continue licensing activities associated with Residential Care Facilities for the Elderly (RCFEs), group home oversight and complaint investigations, and to address a backlog in licensing applications.

Of this total amount, \$2.6 million is requested for 2017-18 and 2018-19 for the following:

- \$1.4 million for resources required to complete timely complaint investigations which continue to accrue due to an increase in the amount and complexity of complaints.
- \$1 million to address the growing backlog of Residential Care Facilities for the Elderly (RCFE) and Adult Residential Facilities (ARF) applications
- \$125,000 to continue implementation of significant licensing reform efforts related to the RCFE Reform Act of 2014.

These short-term resources require a total of 9 two-year limited positions.

In addition, DSS requests an ongoing increase in TAF expenditure authority in the amount of \$690,000 for 2017-18 and \$625,000 in 2018-19 and ongoing to fund 5.5 permanent positions to continue providing functions mandated by AB 388 (Chapter 760, Statutes of 2014). The limited-term resources are scheduled to expire at the end of fiscal year 2016-17, but the temporary workload became permanently extended due to the Continuum of Care Reform (CCR) effort.

**Background.** All licensing fees are deposited into the TAF and are utilized to offset general fund expenditures of licensing functions. The Adult and Senior Care and Children's Residential Programs' civil penalties collected are deposited into the TAF and used only for technical assistance, training, and education of licensees and for emergency resident relocation and care when a license is revoked or temporarily suspended. TAF guidelines specify that the fund should only be used for administrative and other activities to support the licensing program. There is no negative impact to any other programs or departments, as only CCL may utilize these funds.

**Complaint Investigations.** The 2015 Budget Act approved 13 limited-term (LT) LPA positions to focus on the backlog of complaint investigations that had built up during recession years. At the time, the backlog consisted of 3,300 cases. Since then, DSS has investigated more than 15,500 complaints, resulting in 8,900 citations. The LT positions are set to expire in June 2017, while the amount of complaints continues to rise. Attached is a chart provided by DSS showing the growth of complaints over the last five years.

*CCL Children's Residential Program Adult and Senior Care Program Complaints Data*

Calendar Year	Total Complaints Rolled Over From Prior Year(s)	Total Complaints Received	Total Complaints Received + Prior Year(s) Rollover	Total Complaints Approved	Ratio of Complaints Approved to Complaints Pending	Current Year Net Loss/gain	Total Complaints Over 90 Days
2012	2,773	8,129	10,902	7,685	0.70	3,217	1,591
2013	3,217	9,228	12,445	7,619	0.61	4,826	2,971
2014	4,826	9,001	13,827	9,780	0.71	4,047	2,600
2015	4,047	10,673	14,720	10,333	0.70	4,387	2,565
2016	4,387	10,319	14,706	10,989	0.75	3,717	2,012

**Centralized Application Unit (CAU).** DSS states that since the establishment of the Adult and Senior Care Program CAU in 2014, increased statutory and regulatory changes have resulted in staff not being able to process applications in an efficient and timely manner, resulting in the delayed opening of facilities. Examples of increased statutory and regulatory changes include requirements to collect and verify additional information associated with past compliance and financial history. The CAU backlog as of June 2016 was over 691 applications.

**RCFE Reform.** The establishment of the RCFE reform act, which included nineteen chaptered bills, created a significant policy and regulatory development workload for DSS. The 2015 Budget Act gave DSS a two-year LT Associate Governmental Program Analyst (AGPA) to work with various stakeholders to shoulder this increased workload. While the development of regulations is mostly finished, policy guidance and training is still needed and the LT position is set to expire before this can be completed.

**Group Home Oversight.** The 2015 Budget Act established 4.5 LT LPAs to implement AB 388. These positions will expire in June 2017, as the workload was expected to decline with the implementation of CCR and phase-out of group homes. However, some group homes will now continue to operate until 2019, and Short-Term Residential Treatment Programs (STRTPs) have been added to the list of facilities required to report to the CCLD. As a result, the AB 388 workload will continue to be ongoing. The requested resources will staff the Regional Offices that conduct this work.

<b>STAFF COMMENTS AND QUESTIONS</b>
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The Subcommittee has heard of no issues being raised with this request.

The Subcommittee may wish to pose the following questions to the Administration:

- What is the current state of the TAF?
- Does the department anticipate that with the resources requested in this BCP, combined with the resources provided over the last several years, it will be able to keep up with the growth in complaints?

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**Staff Recommendation:**

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Hold open.

**ISSUE 7: CONTINUE FINGERPRINT LICENSING FEE EXEMPTION – GOVERNOR'S TBL PROPOSAL #622****PANEL**

- Pat Leary, Chief Deputy Director, and Pam Dickfoss, Deputy Director Community Care Licensing, California Department of Social Services
  - Please describe the trailer bill language proposal.
- Ginni Bella, Legislative Analyst's Office
- Chi Lee, Department of Finance
- Public Comment

**TRAILER BILL PROPOSAL**

This proposal would continue for an additional two years the suspension of existing law that prohibits the California Department of Social Services (CDSS) and the Department of Justice (DOJ) from charging a fee to process a criminal history check of individuals who are licensed to operate child and adult facilities, provide care in a facility, or reside at that facility. Enacting this proposal therefore continues to allow CDSS to charge fees for this service.

Individuals who are licensed to operate child and adult facilities, provide care to facility clients, or reside at a facility, undergo a comprehensive background check. This check is intended to ensure that individuals with criminal histories are thoroughly evaluated and/or investigated before they are allowed to have contact with clients. CDSS requires a fingerprint-based background check from both the DOJ and the Federal Bureau of Investigation (FBI) for individuals wishing to provide care. DOJ bills CDSS \$17 for the FBI and \$18 for the Live Scan service, per person (\$35 total). The background check for individuals associated with children's facilities that serve six or fewer children also includes a check of the Child Abuse Central Index (CACI). The CACI fee is an additional \$15.

Since 2003-04, trailer bill language has been enacted on an annual basis to suspend existing statute that prohibits the CDSS from charging the fingerprint licensing fee to process a criminal history check of individuals who are licensed to operate child and adult facilities, provide care in a facility, or reside at the facility.

To the extent the prohibition to charge a fee is not suspended, and fee collection for this service ended, the state would be required to fund this activity, resulting in additional costs to the State General Fund.

**STAFF COMMENTS**

These statutory provisions have been routinely delayed due to the cost associated with their enactment. The Subcommittee has heard of no issues being raised with this request.

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**Staff Recommendation:**

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Hold open.

**ISSUE 8: DELAY LICENSING REQUIREMENTS FOR PRIVATE ALTERNATIVE BOARDING SCHOOLS AND OUTDOOR PROGRAMS – GOVERNOR'S TBL PROPOSAL #625****PANEL**

- Pat Leary, Chief Deputy Director, and Pam Dickfoss, Deputy Director Community Care Licensing, California Department of Social Services
  - Please describe the trailer bill language proposal.
- Ginni Bella, Legislative Analyst's Office
- Chi Lee, Department of Finance
- Public Comment

**TRAILER BILL PROPOSAL**

The California Department of Social Services (CDSS) proposes to modify implementation of SB 524 (Lara, Chapter 864, Statutes of 2016) requirements to be contingent upon an appropriation from the Budget Act. Additionally, it would specify the operative dates of the respective statutes to take effect 18 months after the appropriation of funds.

In response to the absence of state oversight for facilities and outdoor programs that advertise services and care for “troubled teens,” SB 524 established “private alternative boarding schools” and “private alternative outdoor programs” as two new types of licensed community care facilities under the purview of CDSS beginning January 1, 2018, and January 1, 2019, respectively. Without an appropriation of funds, DSS is unable to implement the provisions of SB 524. As such, this bill delays the requirements of SB 524 until sufficient resources and ramp-up time are provided for DSS to implement.

**STAFF COMMENTS**

This proposal to deny funding for a newly chaptered bill is awkward and unusual. DOF has been asked about the cost of the activities pursuant to enacted law here and has not yet been able to provide an answer, so the savings assumed pursuant to this proposed “delay” are not known. The Subcommittee may wish to ask the following:

- If the value of the action isn't known, then why is it necessary to delay this newly enacted law?

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**Staff Recommendation:**

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Hold open.