

AGENDA

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

PART I

ASSEMBLYMEMBER MERVYN DYMALLY, CHAIR

**WEDNESDAY, MAY 19, 2004
STATE CAPITOL, ROOM 4202
2:00 P.M.**

**STAFF:
CHRISTIAN GRIFFITH
CONSULTANT**

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CONSENT ITEMS

5180 DEPARTMENT OF SOCIAL SERVICES

CONSENT ISSUES

Issue Number	Proposal	Description	Vote-Only Action
1	Eliminate Funding for Low Income Women Outpatient Substance Abuse Treatment and Supportive Housing Program	Eliminate Funding for Low Income Women Outpatient Substance Abuse Treatment and Supportive Housing Program	Accept proposed reduction
2	Eliminate Maternity Care Program	Budget proposes to eliminate Maternity Care Program for a savings of \$200,000	Accept proposed reduction
3	Suspend Child Abuse Services Treatment Authorization and Case Management Mandate for One Additional Year	The Budget suspends a mandate that has never been funded.	Adopt proposed suspension of the mandate.
4	Eliminate supplemental group home and foster family agency (FFA) Financial Audit reimbursements	The May Revision proposes save \$200,000 by making the following changes: Modify Process for Conducting Program (Non-Provisional) Audits. Streamline the Appeal Process for Non-Provisional Audits (and Rate Protest Appeals). Restrict Applications for Rate Increases of Providers Who Fail Provisional Audits. Eliminate Group Home/Foster Family Agency Financial Audit Cost Reimbursements.	Adopt proposed Trailer Bill Language and corresponding savings.
5	Reduce Funding for Tribal TANF Programs	Propose to reduce the amount of TANF funding for Tribal TANF	Accept proposed reduction

VOTE-ONLY ITEMS

ITEM 5180 DEPARTMENT OF SOCIAL SERVICES

Issue Number	Proposal	Description	Vote-Only Action
1	Eliminate Funding for Youth Development Services Project	Eliminate Funding for Youth Development Services Project	Accept proposed reduction
2	Increase Community Care Licensing fees to cover program costs	The budget proposed to increase Community Care Licensing fees over three years to fully cover DSS's staffing cost	Reject proposed Trailer Bill Language. Adopt Trailer Bill Language to change the existing fee schedule to reflect a higher fee level equivalent to the amount proposed by the Administration for the budget year.
3	Reduce CalWORKs Grants by 5 Percent	Budget proposed to reduce CalWORKs Grants by 5 Percent for a budget year savings of \$222 million.	Reject proposed CalWORKs grant reduction

4	CalWORKs Single Allocation Rollover language	It has been requested that the Subcommittee adopt language to roll over unspent Single Allocation Rollover language.	<p>Adopt the following Trailer Bill Language: 15204.2. It is the intent of the Legislature that the annual Budget Act appropriate state and federal funds in a single allocation to counties for the support of administrative activities undertaken by the counties to provide benefit payments to recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 and to provide required work activities and supportive services in order to efficiently and effectively carry out the purposes of that chapter.</p> <p><u>(a) For fiscal year 2003-04, no later than 60 days after the receipt of fourth quarter claims submitted by counties, the Department of Social Services in consultation with the County Welfare Directors Association shall determine the amount of unspent funds appropriated in the CalWORKs Single Allocation. The amount determined to be unspent shall be re-appropriated to Item 5180 – _____ of the Budget Act of 2004 and allocated back to the counties in a planning allocation no later than October 1, 2004. The Department of Social Services in collaboration with the County Welfare Directors Association shall determine an allocation methodology, including the amount held back to cover supplemental claims.</u></p>
5	Reassess Foster Care Eligibility Annually	The May Revision proposes to save \$4.5 million General Fund by shifting reassessment from a semi-annual to annual frequency.	Adopt proposed savings, but reflect the savings in the aid payments of the program and not the administration budget. Adopt corresponding Trailer Bill Language.

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6	Transfer of TANF funds.	The LAO has recommended trailer bill language that would prevent the transfer of TANF funding outside of CalWORKs without action on the part of the Legislature.	Adopt the following Trailer Bill Language: <i>The Director of Finance is authorized to approve transfers not to exceed \$162,191,000 from the federal Temporary Assistance for Needy Families (TANF) block grant to and in augmentation of any program for which TANF funds have been appropriated in this act, only if the request (1) meets all of the conditions set forth in Section 28.00 of this act, or (2) is consistent with Provision 4 of Item 5180-101-001. <u>Notwithstanding any other provision of law, funds in this item may not be transferred into the Social Services Block Grant (Title XX).</u> Any transfers pursuant to this paragraph shall require the respective legislative notification procedures set forth in Section 28.00 of this act or Provision 4 of Item 5180-101-0001, whichever is applicable.</i>
7	Juvenile Probation Budget Bill Language	On May 5, 2004, the Subcommittee restored a proposed reduction to county juvenile probation programs. The Sub has learned that organizations will be seeking federal funds.	Adopt budget bill language: The Department of Social Services shall seek additional federal funds to replace General Fund appropriated for Juvenile Probation.
8	Reduce rates for non-related legal guardians (NRLG) appointed by the Probate Court to establish equity with relatives caring for dependent children	The May Revision proposed to save \$9.8 million by reducing the Foster Grant levels for families that	Reject proposal and corresponding Trailer Bill Language.
9	Standardize FFA rates	The May Revision proposes trailer bill language that would: 1. Standardize Special Rates for Foster Care Eligible Children. 2. Standardize Foster Family Agency Rates Throughout California.	Reject proposed Trailer Bill Language

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10	Implement Performance-Based Contracting for Foster Care.	The May Revision proposes trailer bill language to implement a performance-based contraction for foster family homes and group homes.	Reject proposed Trailer Bill Language
11	Provide Stronger Incentives for Relatives to Commit to Adoption and Guardianship.	The May Revision proposes trailer bill language to reduce foster care grants for relative providers to the CalWORKs level.	Reject proposed Trailer Bill Language
12	Staffing for Foster Care project	The May Revision requests an increase of \$1,170,000 (\$726,000 General Fund and \$444,000 Federal Trust Fund) and 6.5 limited-term positions (6.1 personnel years) to develop a performance-based contracting strategy for foster care providers and to review existing foster care rate structures for specialized services in order to establish a standard, statewide rate for these services.	Reduce proposal to only 2 limited-term positions and reduce funding level accordingly.
13	IV-E Waiver Staffing	The May Revision requests an increase of \$1,116,000 (\$558,000 General Fund and \$558,000 Federal Trust Fund) and 7.5 limited-term positions (7.1 personnel years) to develop and implement a new five-year Title IV-E Child Welfare Waiver Demonstration Project to assist the State in meeting federal improvement targets and improve outcomes for children and families.	Reduce proposal to 4 limited-term staff and reduce overall funding level accordingly.
14	Restore funding for repealed Legislation	On May 12, 2004, the Subcommittee took action to reject a proposal to repeal AB 408 (Steinberg), AB 1151(Dymally), AB 529 (Mullin) and SB 577 (Kuehl). However, the Subcommittee did not restore funding to allow these bills to be implemented.	Restore funding \$6.8 million (\$3.9 million General Fund) to fund the implementation of recent legislation.

5175 Department of Child Support Services			
Issue Number	Proposal	Description	Vote-Only Action
15	Eliminate County Share of Child Support Collections	The Governor's budget proposes that the state retain \$39 million in collections that constitutes the counties' share of assistance collections and use it as state General Fund revenue.	Reject taking county share of child support collections.
4200 Department of Alcohol Drug Programs			
Issue Number	Proposal	Description	Vote-Only Action
16	Trailer Bill Language for Women and Children's Residential Treatment Services	The budget contains Budget Bill Language that appropriates \$6.4 million for the Women and Children's Residential Treatment Services' program. It has been requested that the Subcommittee adopt Trailer Bill Language to require the Department of Alcohol and Drug Programs to continue support of the Women and Children's Residential Treatment Services' program through 2010.	Adopt placeholder Trailer Bill Language.

5175 DEPARTMENT OF CHILD SUPPORT SERVICES

VOTE ONLY ISSUE 17: CHILD SUPPORT AUTOMATION PENALTY

The Department of Finance has announced that the penalty will be deferred

BACKGROUND:

The Department of Finance reports that the budget year Child Support Automation Penalty will be deferred until the end of the budget year.

Federal law requires states to have completed the development and implementation of statewide child support systems by 1997. Since California did not complete its system by that time, the federal government reduces, in the form of penalties, its share of the costs for administering the state's child support program. The penalties for the budget years was expected to be \$220 million, \$165 million State General Fund and \$55 million county.

4200 DEPARTMENT OF ALCOHOL DRUG PROGRAMS
5180 DEPARTMENT OF SOCIAL SERVICES

VOTE ONLY ISSUE 18: DEPENDENCY DRUG COURT

BACKGROUND:

California's drug court programs work to reduce drug usage and recidivism through the provision of court supervised substance abuse treatment. They integrate drug treatment with other rehabilitation services to promote long-term recovery and reduce social and financial costs of substance abuse. Judges modify program services based on client needs and exercise different enforcement options to assure client compliance with treatment. Drug courts are diverse and serve different populations. Generally, drug court clients have abused alcohol or other drugs for ten or more years and received little or no substance abuse treatment.

Dependency drug courts work to reduce foster care costs and increase permanency for children by providing substance abuse treatment to parents who are involved in dependency court cases. These courts have succeeded in increasing access to substance abuse treatment for parents involved in the child welfare services system, increasing the number of families that are reunified, shortening the time to reunification and reducing children's length of stay in foster care. California currently funds three dependency drug courts through the Comprehensive Drug Court Implementation Program.

Independent evaluations of San Diego's dependency drug court, Substance Abuse Recovery Management System (SARMS) and of Sacramento's dependency drug court (DDC) have found the following:

- **More parents participated in substance abuse treatment.** 85% of parents with DDC involvement and 23% of the comparison group entered substance abuse treatment. 66% of parents with DDC involvement successfully completed treatment within 12 months.
- **More families reunified.** 33% of the DDC families and 19% of comparison families reunified, creating cost savings of \$2,141,056. 58% of families in SARMS were reunified compared to 40% of families in the comparison group.
- **Families reunified faster.** DDC families reunified in 5.6 months and comparison families reunified in 7 months, creating foster care savings of \$2,873 per child and overall program savings of \$413,712. SARMS families reunified in 8 months, half the time to reunification of the comparison group.
- **Achieved permanency faster.** Time to permanency in unsuccessful reunification cases was shorter for SARMS cases. An alternative permanency plan was ordered in 17 months for SARMS cases and 45 months for comparison group cases.
- **Children had shorter stays in foster care.** The average length of stay in foster care for children in DDC was 10.3 months versus 22.8 months for the comparison group. Under SARMS children had considerably shorter stays in out of home care. 14 months for SARMS to 46 months for the comparison group.

- **Fewer subsequent removals.** Subsequent removals and subsequent substantiated child abuse reports were less common among SARMS participants. Subsequent removals occurred in 20% of SARMS families compared to 35% in comparison group families. The incidence of subsequent substantiated child abuse reports was 24% in SARMS cases and 46% in comparison group cases.

Given estimates that 60 to 80 percent of the state's substantiated cases of child abuse and 60 to 80 percent of foster care cases involve substance abuse, the state will likely benefit from treatment modalities that effectively reduce the incidence of substance abuse among parents involved in dependency court.

COMMENTS:

Subcommittee Staff recommend providing \$500,000 seed money for small competitive grants for the development and possible implementation of dependency drug courts. The funding would come from two sources of equal amounts: \$250,000 from the Children's Trust Fund in the Department of Social Services and \$250,000 from the Substance Abuse Prevention and Treatment Block Grant. The grant process will be run through an interagency agreement.

Secondly, it is recommended to adopt placeholder trailer bill language that would require courts to report outcome measures on the (1) rates of reunification, (2) number of days in foster care and group homes, (3) the length of time to permanency plan, and (4) the number of substance-free newborns.