## AGENDA

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

**ASSEMBLYMEMBER GILBERT CEDILLO, CHAIR**

**WEDNESDAY, APRIL 14, 1999**
**STATE CAPITOL, ROOM 444**
**1:30 P.M.**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>5180</td>
<td>Department of Social Services</td>
</tr>
<tr>
<td></td>
<td>▶ IHSS Registry Model Subaccount</td>
</tr>
<tr>
<td></td>
<td>▶ Tyler vs. Anderson Settlement Agreement</td>
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<tr>
<td></td>
<td>▶ General Fund Loan Authority Language</td>
</tr>
<tr>
<td></td>
<td>▶ Los Angeles County Foster Care Project</td>
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<tr>
<td></td>
<td>▶ Los Angeles County Child Care Capacity Building Project</td>
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</tbody>
</table>

**CONSENT ITEMS**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>5180</td>
<td>SSI/SSP Regional 4.9 Percent Grant Reduction</td>
</tr>
<tr>
<td></td>
<td>Cash Assistance Program for Immigrants (CAPI)</td>
</tr>
<tr>
<td></td>
<td>IHSS Public Authorities</td>
</tr>
<tr>
<td></td>
<td>Adult Protective Services</td>
</tr>
<tr>
<td></td>
<td>Special Circumstances Program</td>
</tr>
<tr>
<td></td>
<td>Community Care Licensing – Program Growth</td>
</tr>
<tr>
<td></td>
<td>Community Care Licensing – Licensing and Background Check Enhancements</td>
</tr>
<tr>
<td></td>
<td>Community Care Licensing – Child Care Capacity</td>
</tr>
<tr>
<td></td>
<td>Community Care Licensing – Family Child Care Home Visits</td>
</tr>
<tr>
<td></td>
<td>Community Care Licensing – Foster Care Reforms</td>
</tr>
</tbody>
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### 5180 DEPARTMENT OF SOCIAL SERVICES
ISSUE 1: IHSS REGISTRY MODEL SUBACCOUNT

The budget proposes trailer bill language to eliminate the In-Home Supportive Services Registry Model Subaccount of the Sales Tax Account in the Local Revenue Fund, effective July 1, 1999.

ISSUE 2: TYLER VS. ANDERSON SETTLEMENT AGREEMENT (FINANCE LETTER)

The department proposes an augmentation to the budget proposal of $524,000 from the General Fund and 12 limited term (through 2001-02) positions to implement the Tyler vs. Anderson settlement agreement. Nine of these positions would only require partial year funding due to their proposed date of establishment. The agreement requires that IHSS recipients denied “range of motion” services be notified and given reparation payments. Funding for this activity was set aside in the current year.

ISSUE 3: GENERAL FUND LOAN AUTHORITY LANGUAGE (FINANCE LETTER)

The department requests amendments to a budget bill language provision for the SSI/SSP and IHSS programs. The current language allows the department to borrow from the General Fund to cover shortfalls resulting from the late receipt of federal funds. The department requests amendments to (1) add authority to borrow for shortfalls resulting from the late receipt of reimbursements from counties and from the Department of Health Services, and (2) allow the department to offset delinquent county reimbursements against county local assistance payments.

ISSUE 4: LOS ANGELES COUNTY FOSTER CARE PROJECT

The budget proposes an increase of $378,000 in local reimbursements from Los Angeles County and six one-year limited term positions to perform foster family care recruitment and licensing activities in underserved areas of Los Angeles County.

ISSUE 5: LOS ANGELES COUNTY CHILD CARE CAPACITY BUILDING PROJECT

The budget proposes an increase of $683,000 in local reimbursements from Los Angeles County and ten one-year limited term positions to perform extensive outreach, recruitment, and training activities to increase the availability of quality child care in targeted areas of Los Angeles County.
Current statute requires that Supplemental Security Income/State Supplementary Program (SSI/SSP) grants be reduced by 4.9 percent in the “low-cost” counties. This reduction has not been implemented because it would have brought SSP grants below the federal maintenance-of-effort (MOE) level.

The Legislative Analyst’s Office (LAO) estimates that by January 2002 the annual cost-of-living adjustments pursuant to current law will raise SSP grants to a level that will trigger the implementation of the regional 4.9 percent reduction. The LAO has presented alternatives for the Legislature to consider regarding the regional grant reduction.

BACKGROUND:

Current law requires that SSI/SSP grants be reduced by 4.9 percent in the “low-cost” counties. This reduction was designed to achieve a regional grant differential between “low-cost” and “high-cost” counties. These “low-cost” counties include the 41 counties where the lowest quartile rent was below $400 per month in 1990. The grant reduction was never implemented for SSI/SSP because such a reduction would violate the federal MOE requirement. Failure to comply with the MOE requirement would result in the loss of federal Medicaid funding.

Current law also provides a COLA to the SSI/SSP grant each January. The state COLA is based on the California Necessities Index and is applied to the combined SSI/SSP grant. The federal COLA is based on the Consumer Price Index and is applied to the SSI portion of the grant only. The Governor’s budget includes the statutory state COLA and a pass through of the federal COLA for SSI/SSP grants in 1999-00.

The LAO estimates that as of January 2002, the regional 4.9 percent grant reduction would be “triggered” because the reduction could be implemented without violating the federal MOE requirement.

Currently, a single aged or disabled adult receives $676 per month. According to the LAO’s estimates of future statutory COLAs, the grant would increase to $732 in January 2002. However, under current law, the grant in the low-cost counties would then be reduced to $702. The LAO indicates that the projected grants in January 2002 under current law would be about 96 percent of the federal poverty guideline in low-cost counties and would be just above the poverty guideline in high-cost counties.
The LAO has presented two alternatives to the current law for consideration regarding the regional grant reduction:

1. **Repeal Current Law.** Under this approach, there would be no fiscal impact in 1999-00 or 2000-01. In 2001-02, there would be half-year costs of approximately $55 million and full-year costs of approximately $115 million in 2002-03.

2. **Phase-in the 4.9 Percent Regional Reduction.** Under this approach, benefits would increase more slowly in the low-cost counties than in the high-cost counties until a 4.9 percent differential between the high-cost and low-cost counties is achieved. For example, the SSP portion of the grant could be “frozen” at its current level while continuing to “pass through” the increase in the federal SSI portion each year. The approach under this example would result in General Fund saving of about $13 million in 1999-00 and $39 million in 2000-01. The LAO notes that this approach would result in lower combined SSI/SSP grants in low-cost counties in 1999-00 and 2000-01 than would be required by current law. During the subsequent four fiscal years, there would be annual General Fund costs that peak at approximately $55 million in 2002-03 and decline to less than $20 million in 2004-05.

**COMMENTS:**

Last year, at the request of the Assembly Budget Subcommittee No.1, the LAO provided estimates on the fiscal impact of the various grant reduction and COLA suspension policies from 1990-91 through 1997-98 in the SSI/SSP program. The estimates showed that the state realized a cost avoidance of $8.3 billion during this period from these policies.

As the LAO indicates, the decision to impose a 4.9 percent grant reduction in the low-cost counties was made during a period when the state was facing significant fiscal constraints. The LAO has presented these options in anticipation that there would be interest in revisiting the issue prior to implementation of the reduction.
## ISSUE 7: CASH ASSISTANCE PROGRAM FOR IMMIGRANTS (CAPI)

The Governor’s budget includes $22.7 million from the General Fund to continue the Cash Assistance Program for Immigrants (CAPI) which provides state-only SSI/SSP benefits to noncitizens who lost eligibility for the SSI/SSP program.

The budget also proposes $475,000 from the General Fund and 6.5 one-year limited term positions for state support to administer the CAPI.

### BACKGROUND:

Federal welfare reform law denied federal SSI to non-citizen legal residents, with the exception to those serving in the armed forces, veterans, refugees, and asylees within their first five years, and those who have worked in the United States for over ten years. Following strong lobbying efforts by California and other impacted states, the Federal Balanced Budget Act of 1997 restored benefits for most, but not all of this population. Specifically, elderly legal noncitizens in the U.S. prior to August 1996, who are not disabled, are ineligible for SSI/SSP. Noncitizens who arrived in the U.S. after August 1996, with certain exceptions, are also ineligible for SSI/SSP.

Last year, California established the CAPI program to provide state-only SSI/SSP benefits to noncitizens who lost eligibility for the SSI/SSP program. Noncitizens who entered the United States on or after August 22, 1996 are eligible for the program only if he or she is sponsored and the sponsor has either died, is disabled, or is abusive. The state reimburses the counties for all administrative costs incurred in making the CAPI benefit payments to individuals. Under current statute, this program sunsets on July 1, 2000.

### COMMENTS:

- Assembly Speaker Villaraigosa has introduced a bill, AB 873, which would repeal the sunset provision and expand eligibility for the program to all individuals who meet the eligibility criteria for the SSI/SSP program in effect August 21, 1996, but have lost eligibility under welfare reform solely due to his or her immigration status.

- On March 6, 1999, the Assembly Budget Subcommittee No.1 held a hearing in Los Angeles and heard from a panel of local administrators, advocates, and recipients on the implementation and impacts of the CAPI program. All of the panelists supported AB 873 and expressed the important need to continue the program. The subcommittee also heard comments regarding the need for more outreach, better communication between the welfare department and applicants, reduced backlog in processing applications, and a CAPI-specific form for CAPI applications.
Current statute requires the department to take all necessary steps to qualify any CAPI benefits for retroactive federal interim assistance payments. The department estimates 70 percent of the elderly who lose eligibility will qualify for the SSI/SSP program as disabled. Increased efforts to qualify CAPI applicants for the federal program would result in savings to the state.

The department has informed counties that certain allowable CAPI activities include:

1. Assisting the CAPI client in completing SSI appeal forms and referring clients to a panel of attorneys to provide representation at appeal hearings.

2. Assisting the CAPI client in collecting medical and psychological records, scheduling medical/psychiatric appointments, arranging for transportation to medical appointments if the client has a disability determination or an appeal pending with the Social Security Administration (SSA) on a disability issue.

3. Submitting completed forms to SSA and the State Disability Determination Office.

4. Acting as a liaison with SSA and the State Disability Determination Office to ensure that all SSI-related requirements are met for SSI approval.

5. Assisting the CAPI client in obtaining citizenship by making referrals to the Immigration and Naturalization Service, assisting in completion of documents, making referrals to citizenship courses, and assisting in the SSA appeal process on a citizenship issue.

According to the department, there is some discussion at the federal level to introduce legislation that would restore benefits to noncitizens who were in the U.S. prior to August 22, 1996.
ISSUE 8: IHSS PUBLIC AUTHORITIES

In general, the state pays 65 percent of the nonfederal share of In-Home Supportive Services (IHSS) service costs. However, current law requires the counties to pay for the increased costs associated with operating a public authority (such as higher wages for providers), without a state contribution.

BACKGROUND:

The IHSS program is administered by county welfare departments under broad guidelines that are established by the state. Each county may choose to deliver services in one or a combination of ways: (1) by individual providers (IPs) hired by the recipients, (2) by private agencies under contract with the counties, or (3) by county welfare staff. Approximately 96 percent of the IHSS caseload utilizes the IP service delivery mode. IP providers are generally paid the minimum wage. For the federally eligible PCSP services, the federal share of cost is 51.55 percent. Of the non-federal costs, the state pays 65 percent and the counties pay 35 percent for IHSS services.

Current law allows counties to establish public authorities which assist recipients in finding IHSS providers through a registry, investigate the qualifications and background of potential providers, provide training for providers and recipients, and perform various other functions. Through public authorities, the wages and benefits for providers may be adjusted through the collective bargaining process. Under current law, increases in IHSS costs resulting from the operation of a public authority, including provider wages or benefits, are paid by the county (and federal government in some cases) without a state contribution.

Assemblymember Honda has introduced a bill, AB 16, which would require the state to pay a share of the costs of services provided by public authorities at the standard state and county sharing ratio for the IHSS program. In addition, counties that contribute an amount equal to their savings realized from expanding the Personal Care Services program would be reimbursed by the state for any remaining county costs.

According to the department, as of April 1999, there are six counties that have established public authorities: Alameda, Contra Costa, Los Angeles, San Francisco, San Mateo, and Santa Clara. There are other counties that are contemplating the establishment of a public authority, including Sacramento and Monterey. Based on the provisions contained in AB 16, General Fund costs for the programs in these eight counties would be approximately $90 million in 1999-00.
COMMENTS:

Last year, the Assembly Budget Subcommittee No. 1 provided an augmentation to fund a proposal similar to the one included in AB 16. It was the intent of the subcommittee's action to reinvest the $20 million in state savings from expanding the Personal Care Services program (which allowed more IHSS cases to become eligible for federal funding) back into the IHSS program to fund the public authority costs. However, during the final budget negotiations between the Legislature and the Governor, the funding was removed from the budget.
 ISSUE 9: ADULT PROTECTIVE SERVICES

The budget proposes an augmentation of $23.6 million ($15.3 million General Fund) for the program over current year expenditures, for a total of $77.3 million ($46.2 million General fund) for the Adult Protective Services (APS) program.

The budget also proposes $327,000 ($221,000 General Fund) and five new permanent positions for state administrative support for the APS program.

BACKGROUND:

The APS program provides services to protect elders and dependent adults from abuse, neglect, and exploitation, regardless of income. In the prior APS program, the mandate for counties was limited to receiving reports of abuse and providing information and referral services to clients. Due to lack of sufficient funding in the program, the counties’ ability to respond to reports had decreased substantially over the years. A statewide survey of APS services by the County Welfare Directors Association revealed that of the 58 counties, less than 20 percent responded to all APS calls, forty-five percent no longer provided any case management, and over half did not provide counseling, a twenty-four hour hotline, money management, or other critical services.

Current statute provides for an enhanced APS program, effective May 1999. Enhanced services include a 24-hour emergency response system, emergency shelter, transportation, and in-home protective care. Under the enhanced program, each county must establish an emergency response adult protective services program that provides in-person response, 24 hours a day, seven days a week. The program must also provide immediate response when appropriate, case management services, and establishment of multidisciplinary teams to develop interagency treatment strategies.

Last year, the Governor proposed an augmentation for the APS program of $20 million from the General Fund. The Legislature provided another $32.7 million to support an enhanced APS program. However, Governor Wilson vetoed the legislative augmentation. Subsequently, the legislation establishing the new enhanced program was passed and signed by the Governor. However, the implementation date was delayed until May 1999.

Counties are currently making preparations to implement the new APS program. County APS agencies, in conjunction with community organizations, law enforcement, district attorneys, and other local partners, are designing local programs. Counties are hiring staff, executing contracts, preparing training programs, and securing facilities to meet the May 1, 1999 implementation date.
Under current statute, beginning in 1999-00, the enhanced APS program will be implemented only to the extent that funds are provided in the annual Budget Act appropriation.

**COMMENTS:**

According to the department, the budget proposal for the APS program represents the costs to fully fund the enhanced program. However, the cost estimates are based on different factors than those used to estimate program costs last year. Last year, the Legislature had been informed that the costs to fully fund the enhanced APS program would require a General Fund augmentation of $70 million, or $35 million more than is proposed in the budget. This year, the department relied on a study by the Department of Health and Human Services which led to the use of different caseload assumptions.

Due to the difference in estimates, the department has been working with the county representatives to re-examine the caseload assumptions included in the budget.
**ISSUE 10: SPECIAL CIRCUMSTANCES PROGRAM**

The budget includes $8.3 million from the General Fund to continue funding for the Special Circumstance program. Of this amount, $5 million is proposed for grants and $3.3 million (41 percent) for county administration costs.

**BACKGROUND:**

Current law provides for payments to SSI/SSP recipients for “special circumstances.” “Special circumstances” include replacement of essential household furniture and equipment, necessary moving expenses, required housing repairs, unmet shelter needs, and costs associated with the care and maintenance of guide or other service dogs. This program was first implemented in 1974 and was suspended (except for the costs associated with the guide dogs) from September 1992 through June 1998. Last year, the Assembly Budget Subcommittee No. 1 augmented the Governor’s budget to restore funding for this program. These funds were included in the Budget Act of 1998-99.

According to the department, county administration activities include determining eligibility, assessing and verifying need for special circumstances, informing applicants of program requirements and benefits, maintaining case files, performing benefit computations, and preparing authorization actions for eligible SSI/SSP recipients.

**COMMENTS:**

The department has issued time study instructions to the counties to capture information on administration activities and costs. However, the department indicates there is no information available at this time to review county administrative expenditures. According to the department, the relatively high proportion of administrative dollars was based on historical program trends.
ISSUE 11: COMMUNITY CARE LICENSING – PROGRAM GROWTH

The budget proposes $2,761,000 ($2,584,000 General Fund) for the establishment of 46.5 permanent positions to address increased workload in various components of the licensing program.

Through a Finance Letter, the department proposes a reduction to the budget proposal of $664,000 ($622,000 General Fund) and 12.5 positions due to a decrease in the projected number of state licensed community care facilities.

BACKGROUND:

The Community Care Licensing Division (CCLD) within the department develops and enforces regulations designed to protect the health and safety of individuals in 24-hour residential care facilities and day care. Licensed facilities include day care homes and centers, foster family homes and group homes, adult residential facilities, and residential facilities for the elderly.

After adjusting for the Finance Letter changes, the revised budget proposal includes the following:

- 15 field staff positions to conduct the licensing activities. This staffing level is based on the estimated number of facilities in 1999-00 that will need to be licensed.
- Two positions in the Caregiver Background Check Bureau (CBCB) to review and process fingerprint inquiries and criminal records for license-exempt child care providers.
- 17 positions in the Regional Investigation Section which investigates the more serious complaints and referrals, such as allegations of physical or sexual abuse.

COMMENTS:

Prior to 1991, annual comprehensive visits were made to evaluate facilities. Due to budgetary constraints, comprehensive visits were reserved for facilities with a history of non-compliance. Visits to all other facilities (except for family child care homes) were changed to focused visits. During a focused visit, client and staff files are not reviewed, clients are not interviewed and the implementation of a client’s program plan is not monitored. As a result of moving to focused visits, the caseload for licensing analysts increased for the various facilities.

Last year, the Governor proposed an augmentation to the budget to return to comprehensive visits for facilities caring for persons with developmental disabilities.

The Legislature approved this proposal but provide another augmentation to return to comprehensive visits for all licensed community care facilities. However, Governor Wilson vetoed $2.8 million associated with comprehensive visits for child care centers.
The budget proposes $1,988,000 ($1,890,000 General Fund) to continue enhancements of the criminal record system and the Licensing Information System (LIS).

**BACKGROUND:**

The budget proposes the following:

- **Facility Site Visit System Integration.** Last year, the department indicated that the Community Care Licensing Division (CCLD) was not in compliance with legal mandates and department policies and therefore had proposed various enhancements to the LIS for 1998-99. The LIS is a database used to track individuals and facilities within the licensing program. In June 1997, the CCLD entered into a contract to prepare a Feasibility Study Report (FSR). The FSR provided an analysis of all information system interfaces to determine information system needs. The FSR included a functionality study of the criminal record check system, an analysis of the facility licensing process, a short-term solution, and a long-term solution. The Budget Act of 1998-99 included funds to implement some of the recommendations contained in the FSR.

This year, the budget proposes $1,046,000 to integrate the existing Field Automation System (FAS) with the LIS. The FAS stores all the detailed information collected by the licensing analyst on the site visit report. The LIS only provides minimal information about the site visit which must be entered separately. Information from residential site visits are not entered into the FAS, although some information is entered into the LIS. This integration project would eliminate duplicate entry and download of facility information between the LIS and FAS and automate the residential site visit information.

- **Complaints Integration Project.** Currently, each licensing district office has the ability to enter complaints information into their isolated complaint database. However, each office can only view those complaints relating to facilities licensed by that office. It is possible for a licensee to have complaints on more than one facility licensed by multiple district offices. The budget proposes $227,100 to integrate the complaints database with the LIS to provide statewide data for use by all district offices.
Administrator Certification System. Current law requires that licensees and/or administrators of Residential Care Facilities for the Elderly, Adult Residential Facilities, and Foster Care Group Homes be certified. When the department was first given the responsibility to administer this program, a new system was developed. This system is the Administrator Certification System (ACS). Currently, criminal record clearances that are required for the certification of an administrator are included in the LIS, which has no interface to the ACS. Therefore, the clearance information must be manually re-entered into the ACS to update an administrator's certification status. Also, revocations of administrator certifications are only handled in the ACS and are not reflected in the LIS. The budget proposes $195,000 to integrate the ACS with the LIS.

CCATS System Integration. The Continuing Care Contracts Branch of the department evaluates and monitors performance and financial stability of facilities authorized to provide continuing care contracts with elderly persons. The Continuing Care Automated Tracking System (CCATS) contains information regarding Continuing Care facilities but has no interface to LIS. Therefore, this information has to be updated separately into the LIS. The budget proposes $194,250 to integrate the CCATS with the LIS.

Business and Public Information Access. The budget proposes $112,650 to develop, implement and maintain automated access for external users to obtain licensing information. This project consists of three components: (1) provide internet access to LIS based clearance and status data, including the ability to obtain forms, license information, and regulations, (2) expand efforts regarding public access to LIS data through an integrated telephone system, and (3) allow for Trustline clearance and status information to be provided to the Referral Agencies through an automated interface to the CA Child Care Resource and Referral Network.

Project Management and Oversight. The budget proposes $213,120 annually for two years to contract with an independent vendor to provide project management and oversight of the integrated licensing automation system.

The department also indicates that there would be ongoing costs of $370,640 in 2000-01.

COMMENTS:

There is an additional $100,000 in federal funds that could be claimed for these activities and is not reflected in the budget.
ISSUE 13: COMMUNITY CARE LICENSING – CHILD CARE CAPACITY

The need for quality child care has increased dramatically as more women with children have entered the workforce. The implementation of CalWORKs, including the new work requirements and time limits on aid, have resulted in even higher demands for child care.

In the past few years, the Legislature has passed legislation and provided funding to address the high demand for child care capacity.

The department has been asked to provide an update on its efforts to increase child care capacity in the state.

BACKGROUND:

Description of Child Care Arrangements. There are three categories of child care arrangements available in the state: (1) licensed child care centers, (2) licensed family child care homes, and (3) arrangements that are exempt from licensure.

Licensed family child care homes can serve either six to eight children or 12-14 children, depending on the type of license. Family child care must be provided in the care provider’s home. Licensed family child care providers are required to have training in preventive health care practices, such as pediatric CPR and first aid, as well as comply with licensing requirements.

License-exempt child care providers are most often relatives, friends or neighbors of the child’s family. License-exempt care is usually limited to children of just one family. There are no training requirements or standards for exempt care. However, nonrelative care providers must be fingerprinted through the Trustline.

Trends in Child Care Facilities Growth. The Department of Social Services (DSS) has provided the following information regarding growth in child care facilities:

- As of January 1999, there were a total of 54,500 licensed child care facilities in the state. This represents a growth of approximately one percent since July 1996.

- The number of family child care homes (currently about 41,000) has remained stable.

- The number of child care centers (currently about 13,000) has increased by four percent since July 1996. Most of the growth has been in infant care and school-aged care.
Trustline clearances for subsidized license-exempt providers have increased by 200-300 percent in the last two years.

The overall child care capacity in the facilities has increased by eight percent since July 1996, to over 990,000.

**Current Child Care Capacity Building Efforts.** According to a recent interim report prepared by the California Department of Education (CDE) in conjunction with the DSS, the following lists some the major child care capacity building activities in the state:

**CDE Activities:**

- Training of TANF recipients to become child development teachers,
- Capacity building projects targeting underserved counties,
- Capacity building of infant/toddler child care and development services, and
- Evaluation of child care capacity building activities being conducted by the American Institutes for Research.

**DSS Activities:**

- Training of CalWORKs recipients to become licensed family child care providers or license-exempt providers,
- Capacity building and quality improvement projects awarded through counties,
- Family child care training of licensed providers, and
- Research on statewide child care supply and demand being conducted by UC Berkeley.

In addition, current statute authorizes the Child Care and Development Facilities Loan Guaranty Fund to be used to guarantee private sector loans to sole proprietorships, partnerships, proprietary and nonprofit corporations, and local public agencies for the purchase, development, construction, expansion, or improvement of licensed child care and development facilities. Current statute also authorizes the Child Care and Development Facilities Direct Loan Fund which provides direct loans for the same purposes. Both funds are administered by the Department of Housing and Community Development. In 1997-98, the Budget Act included $3.5 million from the General Fund for each of these funds. At this time, none of the funds have been allocated to local assistance due to delays associated with the enactment of clean-up legislation and the regulations process.
The CDE, in conjunction with the DSS, is statutorily required to submit a final report by December 31, 1999 on child care capacity building activities which will include the following:

- A definition of the strategies employed to build capacity,
- The results and effectiveness of the strategies, including the amount and kinds of capacity increase, barriers found in preventing increased capacity, and recommendations for overcoming those barriers,
- Recommended best practices for future capacity building activities specific to the types of care in shortest supply,
- Results of current pilot studies by the DSS and CDE, and
- Recommendations on the magnitude and role of both CalWORKs recipient training and license-exempt care in meeting future needs.
The department requests an increase to the budget proposal of $432,000 from the Child Health and Safety Fund and eight new positions on a two-year limited term basis to provide additional visits to family child care homes that have had substantiated complaints cited during the past year.

BACKGROUND:

Family child care homes can serve either six to eight children or 12 to 14 children depending on whether they are licensed as small or large family child care homes. Family child care must be provided in the care provider’s home and is intended to provide a home-like environment. There are currently 36,000 state licensed family child care homes serving over 300,000 children. In addition, ten counties license family child care homes under contract with the department.

Currently, licensing analysts make the following visits to family child care homes:

- Prior to the initial licensing of the applicant,
- Every three years after being licensed,
- When a complaint generates the need for a visit, and
- When the licensing analyst identifies a case management reason to visit the home.

Due to budgetary constraints in the early 1990s, the scope and number of visits to various licensed community care facilities were reduced. As a result, family child care homes are visited routinely every three years, rather than annually. All other licensed community care facilities are visited annually by licensing staff to monitor compliance. The department’s proposal would provide visits to an additional 10 percent of family child care homes annually. These homes would be scheduled for the additional visit if they have had substantiated complaints during the previous year.

The Child Health and Safety Fund (CHSF) consists of revenues from the sale of Kid’s Plate vehicle license plates through the Department of Motor Vehicles. One of the priority uses of this fund is to provide additional monitoring of child care facilities.
COMMENTS:

The Child Care Advocate Program (CCAP) within the CCLD provides information to the public and parents on child care licensing, provides mediation services to child care facilities in their dealings with the licensing program, and acts as a liaison between local child care resource referral agencies and other programs. Some of these positions are funded by the Technical Assistance Fund and some of these positions are funded by the CHSF.

The Technical Assistance Fund consists of licensing fee revenues that exceed $6 million (after deducting administrative costs). Current statute requires that the Technical Assistance Fund monies be spent to fund the creation and maintenance of new technical assistance positions to assist licensed providers. According to the Governor's budget, the fund balance at the end of 1999-00 in the Technical Assistance Fund is projected to be $1,285,000. This represents 92 percent of estimated expenditures, which is a relatively high fund balance.

The subcommittee may want to consider using additional funds from the Technical Assistance Fund to support the CCAP positions that are currently being supported by the CHSF. This would "free up" CHSF funds which could be used to support additional positions for the Finance Letter proposal. While there are 13 district offices that license child care facilities, the Finance Letter proposal would provide positions for only five of the 13 offices. The offices that would not be covered include: San Jose, Central Coast, Peninsula, San Gorgonio, Orange County, Redwood Empire, Chico, and Fresno.
ISSUE 15: COMMUNITY CARE LICENSING – FOSTER CARE REFORMS

The Budget Act of 1998-99 included various augmentations for the licensing program for activities related to foster care reform. Many of the required new activities were contained in one of last year’s budget trailer bills.

The department has been asked to provide a status update of implementation in the current year.

BACKGROUND:

The Budget Act of 1998-99 included funding for the following activities:

- **Comprehensive Visits.** The department was given additional staff to return to comprehensive licensing visits for all residential facilities.

- **Administrator Certification Program.** The department must develop an administrator certification program for group homes.

- **Provisional Licenses.** All new group home licenses are issued on a provisional basis until performance is demonstrated.

- **Investigation of Complaints Regarding Certified Family Homes.** The department will assume responsibility for investigating complaints filed against certified homes of a foster family agency.

- **Licensing Report Availability.** Group homes must maintain copies of all licensing reports for the past three years at the facility which are accessible to placement officials, current and prospective facility clients and their family members.

- **Certification of Out-of-State Placements.** The department must certify out-of-state placements of children for foster care funding.

- **Fingerprint Checks.** The requirements for fingerprint checks were applied to more groups. All employees with direct contact with clients in all community care facilities must be fingerprinted prior to employment. In addition, FBI background checks are required for all applicants.

- **Training Requirements for Group Home Staff.** The department must adopt regulations for training and continuing education requirements for child care staff in group homes.

- **Workload Study.** The department received funds to conduct a workload study for the Community Care Licensing Division.
The following lists some of the activities required by statute that did not have any funds associated with them in the Budget Act of 1998-99:

- **Financial Records.** All financial records submitted by group homes to the department must contain an affirmative statement that the information is correct to the best of the licensee’s knowledge.

- **Board Meetings.** Group homes must schedule and conduct quarterly meetings of their boards of directors.

- **Listing of Individuals’ Involvement in Licensed Facilities.** All licensed corporations must list the facilities that any board member, executive director, or any officer is licensed to operate, employed in, or serves as an officer.

- **Group Home Administrators and Schedule of Activities.** All group homes must state in their plans of operation, the hours per week an administrator will spend completing their duties. Each group home must have a schedule of activities for children in care.

- **Copies of Licensing Reports.** Board members of licensed facilities are added to the list of persons sent copies of substantiated complaints by the licensee and by the department.

- **Financial Malfeasance.** The department may issue a denial, revocation, and suspension of a license or administrator certification for financial malfeasance. The department may also prohibit persons from serving as a board member, executive director, officer, or employee for financial malfeasance.

- **License Revocation.** The department must exclude or remove a person from the position of board member, executive director, or officer of any licensed facility if their prior license was revoked within the preceding two years.

- **Juvenile Court Records.** The department’s legal staff and special investigators have access to juvenile court records.

- **Interviewing Children.** The department may interview during school hours on school premises concerning a report of suspected child abuse that occurred in the group home or foster home.

- **Responsibility of Board Directors.** The department must develop and distribute to group home providers, information to educate boards of directors on their roles and responsibilities as members of a public benefit corporation.

**COMMENTS:**

The Assembly Human Services Committee has introduced AB 1659, which is a technical clean-up bill regarding last year’s budget trailer bill on foster care reform. One of the problems that will need to be addressed is that the provision regarding fingerprint requirements for foster care group homes, foster family homes, and adult residential facilities was inadvertently “chaptered out.”