

## **AGENDA Part II**

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

**ASSEMBLYMEMBER MERVYN DYMALLY, CHAIR**

**WEDNESDAY, APRIL 21, 2004  
STATE CAPITOL, ROOM 444  
1:30 P.M.**

**STAFF:  
CHRISTIAN GRIFFITH  
CONSULTANT**

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### **CONSENT ITEMS**

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## **CONSENT ITEMS**

### **5180 DEPARTMENT OF SOCIAL SERVICES**

<b>CONSENT ISSUE 1: SUSPEND THE SUPPORTIVE TRANSITIONAL EMANCIPATION PROGRAM (STEP)</b>
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The Governor's Mid-year Reduction proposes Trailer Bill Language to make enactment of the STEP program contingent upon appropriation.

<b>BACKGROUND:</b>
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The mid-year reduction proposal would eliminate the STEP program for current year savings of \$38,000 General Fund and budget year savings of \$338,000 General Fund. Part of the Assembly's 2001 "Foster Care package," this program provides support to emancipated foster youth up to age 21 that are participating in education and training.

<b>COMMENTS:</b>
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The STEP program requires a county match for its expenditures. Because the counties also face budgetary pressures, Subcommittee staff believes that no counties will be able to utilize the funding for this program in the current or budget year.

The administration's proposed Trailer Bill Language would make the funding for the program contingent upon the appropriation of funding in the budget.

**5180 DEPARTMENT OF SOCIAL SERVICES**

**CONSENT ISSUE 2: SELF-DEALING GROUP HOME LEASES**

The Subcommittee will consider adopting Trailer Bill Language that clarifies that group homes cannot engage in self-dealing leases.

**BACKGROUND:**

Trailer Bill Language [SB 1X 24 (Committee on Budget)] adopted in 2003 prohibited group homes from engaging in self-dealing leases. The language was adopted in response to concerns that State funds could be misused if group homes were able to lease properties from members of their own board members.

The California Alliance of Children and Family Services has requested that the Subcommittee adopted Trailer Bill Language that would make technical changes to this language. The proposed change would substitute the term "self-dealing leases" for the term "group home affiliated leases".

**COMMENTS:**

Subcommittee staff believe the proposed Trailer Bill Language is technical in nature and is consistent with prior actions taken by the Subcommittee in prior years.

**ITEMS TO BE HEARD**

**5180 DEPARTMENT OF SOCIAL SERVICES**

**ISSUE 1: FOSTER CARE AND CHILD WELFARE IN LOS ANGELES COUNTY**

The Subcommittee will discuss the Child Welfare system in Los Angeles County

**BACKGROUND:**

Los Angeles County's Department of Children and Family Services provides Child Welfare Services, Foster Care, and Adoptions services within the county. Last year, Los Angeles County received over 160,000 allegations of child abuse and over 40,000 children received child welfare services.

Los Angeles County has requested a waiver that would allow it more flexible use of the funding it receive for these programs. The waiver, sometimes called the "IV-E waiver" due to the funding source, would allow the county to use existing funding in a manner that is more flexible than these program usually allow. In the late 1990's several other counties received such waivers and used these funds to fund preventative services designed to keep children out of foster care.

The county has submitted their proposal to the State. However, the State must submit this proposal to the federal government for approval.

**COMMENTS:**

The Subcommittee would like an update on the Status of Los Angeles's waiver.

**5180 DEPARTMENT OF SOCIAL SERVICES**

**ISSUE 2: CHILD WELFARE SERVICES REDESIGN FUNDING**

The Subcommittee will discuss the necessity for continued funding for the Child Welfare Redesign process.

**BACKGROUND:**

The Legislature appropriated \$800,000 in the *2000-01 Budget Act* to study the current child welfare services system with the expectation that detailed recommendations for improvements would be presented at the end of the study. It was anticipated that the final report would provide a detailed framework for improving the program. With this framework, the administration and the Legislature could then establish priorities and begin making improvements to child welfare services. The final report provides only high level concepts for reforming Child Welfare Services (CWS). In addition, the administration has failed to produce a detailed implementation plan that outlines the specific programmatic changes that will take place and their associated costs and outcomes. The administration proposes \$19 million for planning, technical assistance, and training without sufficient detail as to what outcomes can be expected from this investment.

**COMMENTS:**

The LAO believes that the budget's funding request is premature, and we recommend that the \$19 million budgeted for the CWS Redesign be eliminated. The LAO also recommend that any future funding for the Redesign be contingent upon the administration presenting an implementation plan that identifies specific activities that will be implemented, their associated costs and the outcomes expected from those activities, and necessary legislation. This type of detailed plan would allow the Legislature to review an array of options designed to improve services. Such information would permit the Legislature to prioritize the program changes and select which improvements should be put into place and along what timeframe. Absent that type of detailed implementation plan, the Legislature does not have sufficient information to assess the value of the proposed restructuring of CWS.

The Senate has taken action on this issue. In Senate Subcommittee #3, the Senate took the following actions:

Rejected funding for CWS Redesign in the budget year.

Redirected funding proposed for Redesign to reduce proposed TANF funding for AB 636 and PIP activities budgeted in other parts of the budget

Expressed willingness to reconsider Redesign proposal during may Revision, contingent on development of an implementation plan.

## 5180 DEPARTMENT OF SOCIAL SERVICES

### ISSUE 3: FOSTER CARE REFORM

The Subcommittee will discuss the Administration's proposed foster care reform.

#### BACKGROUND:

The Governor's Budget proposes to enact Foster Care reform for budget year savings of \$41.5 million (\$20 million General Fund). The proposal includes:

**Enacting performance-based contracts:** The proposal would require higher costs for foster care providers, like Foster Family Agencies and Group Homes, to operate under performance-based contracts that require them to meet federal and State performance measures, as a condition of payment.

**Restructuring foster care rates:** This proposal would restructure the rate paid to all foster care providers to encourage the use of less restrictive, less-costly placements, and to establish a standard statewide rate for other high-cost foster care services and payments.

**Pursuing a waiver to allow flexible funding of foster care:** This proposal would pursue a federal waiver to apply for federal foster care funds. For flexible child welfare purposes, including prevention of child abuse and neglect, intensive services to keep children with their birth parents, reduce out-of-home placements, and enhanced permanency. Federal law currently restricts the use of foster care funds to cover only those costs related to the care and supervision of foster children, thereby inhibiting the State's ability to target these funds to those children and families most in need and to provide preventative services.

The Budget assumes \$20 million General Fund savings from these reforms but the details of these proposals will be included in the May Revise. The Governor's Budget Summary indicates that the Administration intends to engage stakeholders, constituents, and the Legislature to facilitate the reform efforts.

**COMMENTS:**

If the proposal is submitted in the May Revise, the Subcommittee will have less than a week to analyze and take action on the proposal. Given the potential magnitude of the foster care reform, the Subcommittee may not have sufficient time to ensure to fully review the proposal and solicit public feedback.

Several members of the public, advocacy groups, and interested parties have indicated to Subcommittee staff that they wish to be included in a future reform effort. Some of these groups and individuals may testify at the hearing.

## 5180 DEPARTMENT OF SOCIAL SERVICES

### ISSUE 4: ROSALES V. THOMPSON

The Subcommittee will consider the impact of a recent court decision on the budget.

### BACKGROUND:

On March 3, 2003, the Federal Court of Appeals ruling broadened the eligibility for federal Title IV-E Foster Care benefits to about 2,300 relative foster care providers caring for 4,425 children that currently receive CalWORKs benefits.

Under the *Rosales* decision, if a child lived, at any time during the six months prior to removal or at the time of removal with a relative, then that child would be federally eligible for foster care because only the child's income would be taken into account during an Aid to Families with Dependent Children (AFDC) means test. Prior to the court decision, relatives who were caring for children who were deemed ineligible for the federal foster care program were only provided with a California Work Opportunity and Responsibility to Kids (CalWORKs) child-only grant of about \$350 per month. Under the new eligibility rules, families will now receive a regular foster care grant (an average of \$678 per month).

The eligibility change described above reduces CalWORKs costs and increases foster care costs. Specifically, the Governor's budget reflects a savings of \$13 million in Temporary Assistance for Needy Families funding in CalWORKs and a General Fund cost of \$8 million in foster care. Further, it recognizes an additional cost of \$11 million in foster care costs for counties, reflecting their share of foster care grant payments.

The decision also applies retroactively to all cases that received CalWORKs on March 3, 2003 that would have been eligible for foster care. The retroactive period would include any CalWORKs payments made to this group since December 23, 1997. The Department of Social Services estimates that over 4,000 cases could be eligible for retroactive payments, but does not have an estimate of the total cost, since it is unclear how long these cases have been on aid.

The Federal Health and Human Services Agency has provided instructions to the State to direct our implementation of the court's decision.

**COMMENTS:**

According to the LAO, the estimated costs and savings as a result of the *Rosales* decision presented in the Governor's budget are only related to those children who were considered CalWORKs child-only cases and could now be considered federally-eligible foster care cases. However, a study done by the MAXIMUS Corporation in San Bernardino County indicates that a portion of the current state-only foster care population would also now be eligible for Title IV-E federal funding as a result of the *Rosales* decision. (These results were verified by case file reviews conducted by San Bernardino social workers.) Based on this data, almost 5 percent of the state-only foster care population would meet the new federal eligibility criteria. Although San Bernardino County did not examine their Adoptions Assistance Program (AAP) caseload, the LAO believes that the same criteria will apply to this caseload statewide. Children that were once deemed ineligible for federal AAP because of the AFDC means test, will now be eligible under the revised eligibility criteria.

Using the most conservative interpretation of the *Rosales* decision, LAO analysis suggests that shifting this portion of the foster care caseload from the state-only program to the federal foster care program would require a minimal investment of about \$100,000 to review the eligibility of the state-only cases that were placed in the foster care system after April 1, 2003. This review effort should result in making about 5 percent of the state-only caseload federally eligible. This would result in a General Fund savings of \$4.2 million and a county savings of \$6.3 million. The AAP savings are smaller. The LAO believes that a review of the AAP program, costing the state approximately \$50,000 will lead to a General Fund savings of \$1.3 million. This same level of savings for AAP and foster care could be achieved in 2003-04 with a similar level of investment for administration.

The Senate has taken action on this issue. In Senate Subcommittee #3, the Senate adopted the \$4.2 million level of savings identified by the LAO.

**5180 DEPARTMENT OF SOCIAL SERVICES**

**ISSUE 5: AB 636 AND RELATIVE ASSESSMENT FUNDING**

The Subcommittee will consider two estimating issues raised by counties.

**BACKGROUND:**

**AB 636 (Steinberg)**

AB 636 established an outcome-based approach to Child Welfare Services in California. Counties began implementing on-going assessment and planning processes at the beginning of this calendar year, consistent with the bill's requirements. The Department of Social Services (DSS) provided funding for an average of one staff person in each county to carry out this new responsibility, beginning in the current year and continuing through the budget year. However, counties' experience to date shows that this level of funding is insufficient to fulfill the expectations encompassed in AB 636.

As counties began the required AB 636 activities in January, they quickly realized that the DSS estimate understates the time needed to monitor performance, implement new policies, continue interacting with the community, and regularly revise the County Self-Improvement Plan in the budget year. CWDA worked with counties to complete a detailed analysis of the activities required and concluded that at least 1.5 full-time equivalent staff are necessary, rather than the 1 full-time staff assumed by the State

**Relative Home Assessments**

Currently, CWDA is engaged in a process with the Department of Social Services (DSS) to re-examine its estimate of the time required to complete a relative caregiver assessment. While DSS has provided funding for seven hours of staff time to perform these activities, county experience over the last year indicates that the number of hours needed is significantly higher. New requirements for relative caregiver assessments were effective November 2002. Counties have been conducting assessments for more than a year, allowing us to accurately determine the total time required for this task. Detailed studies conducted in two

counties revealed that relative caregiver assessments require an average of 16 hours per home, not including travel time to and from the relative's home. County staff often must travel beyond the county's boundaries to assess a relative, which frequently require two to four hours of travel and can take more than a day.

**COMMENTS:**

CWDA and DSS are working together on these issues. Subcommittee staff hope that these issues could be addressed in the May Revise.

## **5180 DEPARTMENT OF SOCIAL SERVICES**

### **ISSUE 6: CWS-CMS FEDERAL FUNDS**

The Subcommittee will discuss a reduction in federal funds for the Child Welfare Services/Case Management Systems (CWS/CMS)

#### **BACKGROUND:**

The CWS/CMS system is a fully functional statewide case management system for Child Welfare Services. The system is used daily by approximately 16,000 state and county workers.

As a result of long-standing concerns, the federal government reduced funding for the maintenance and operation of the CWS/CMS. The budget understates General Fund costs by \$43 million for the current and budget years combined as a result of this reduced funding.

The federal government requires California to maintain the CWS/CMS system to comply with federal automation requirements relating to the child welfare, foster care, and adoptions. The federal government requires the State's computer system to meet 76 different components and the State currently meets 62 of these components. CWS/CMS is more than 87 percent compliant with federal SACWIS requirements. The State has met most of these requirements, but the system still lacks the following components: (1) adequate adoption case management, (2) an automated interface between CWS/CMS and the State's welfare and child support automation systems, (3) authorizations for service provider payments, and (4) foster care eligibility determinations. Of these requirements, the State has only begun addressing the adoption component.

According to the Legislative Analyst's Office, the State failed to address the following federal concerns:

***Failure to Address Federal Procurement Requirements.*** In 1997, the federal government and the Departments of Finance and General Services directed the Health and Human Services Agency Data Center (HHSDC) to conduct a competitive procurement for a new contract to pay for the ongoing maintenance and operation activities of CWS/CMS. In 2000, the State began the competitive procurement. It was subsequently cancelled in 2002 because HHSDC was unable to address federal procurement requirements.

***Inability to Implement All SACWIS Functions.*** In 1999, the federal government conducted a review of CWS/CMS, and determined that the system did not meet the following SACWIS requirements: (1) adequate adoption case management, (2) an automated interface between CWS/CMS and the State's welfare and child support automation systems, (3) authorizations for service provider payments, and (4) foster care eligibility determinations. Of these requirements, the State has only begun addressing the adoption component.

***Lack of Full Project Review.*** In 2001, the federal government directed the State to conduct a thorough project review of CWS/CMS. The scope of the review was to include (1) an audit of past and current CWS/CMS costs and expenditures, (2) an analysis of the State's procurement strategy for the new maintenance and operation contract, and (3) a review of CWS/CMS project roles and responsibilities. To date, the State has only completed the analysis of the procurement strategy.

***Failure to Require Full CWS/CMS Usage.*** In 2002, the federal government conducted a review of the State and counties use of CWS/CMS. The review found that the State did not require counties to use all of the functions in the system despite the federal requirement that a State use all of the SACWIS functions. Current State policy allows each county some discretion in determining how much of the CWS/CMS system to use. For example, some counties use the CWS/CMS health and education data collection system whereas other counties do not use these functions. To meet SACWIS requirements, the State must require use of all CWS/CMS functions by all counties.

***Failure to Transfer CWS/CMS Hardware to HHSDC.*** The CWS/CMS system operates at the contractor's data center in Boulder, Colorado. In June 2003, the federal government directed the State to transfer the CWS/CMS hardware to a state facility. The state has not started this effort.

CDSS reports that they are working closely with the federal government to address their concerns and have been successful in gaining approval for

approximately \$20.5 million in additional federal funding for the current fiscal year.

**COMMENTS:**

There are two basic concerns that the Federal Government has raised regarding SACWIS compliance:

**Procurement Issues:** The Federal Government thinks that the CWS/CMS project was structured so that the re-procurement would be difficult for any vender beside the current contractor, IBM. In addition, the Federal Government wants the project broken into components that be procured separately—instead of one big contract.

**Missing components:** The State still has 14 components of the SACWIS system to complete to be fully SACWIS compliant.

However, in the short run, the State cannot address both of these concerns. If the State addresses the procurement issues, it will likely have to delay implementation of the additional components needed for SACWIS compliance as the State reorganize its current project. However, if the State wants to complete implementation of the last fourteen components of SACWIS as soon as possible, it is likely that only the current contractor has the capacity to implement these components in a short time-frame.

One of the SACWIS elements requires CWS/CMS to interface with the State's child support system. Since the State will not have a system in place for several years, it is technically impossible for the State to be fully SACWIS compliant until that time.

DSS has recently released their analysis of the fiscal benefits of continuing to seek SACWIS compliance. According to their analysis, continuing the current SACWIS project would yield a net savings of \$48.3 million.

**5180 DEPARTMENT OF SOCIAL SERVICES**

**ISSUE 7: FOSTER CARE RATE FREEZE**

The Administration has proposed to freeze foster care rates in the budget year.

**BACKGROUND:**

Due to the continual budgetary pressures, the State has failed to provide a foster care rate increase for Foster Family Homes, Foster Family Agencies and Group Homes since 2001.

This will be the 10<sup>th</sup> year, out of 14 years since the implementation of the current rate-setting system in 1990, for which AFDC-FC rates will not receive the discretionary COLA provided for in statute, based on the California Necessities Index (CNI). Unlike other types of foster care providers and other services providers, we are prohibited by the State payment system from making any change in staffing patterns in order to deal with the consequences of COLA suspensions.

The California Alliance for Families and Children has requested that the Subcommittee adopt Trailer Bill Language to allow Group Homes some flexibility in their staffing so that they can retain their staff. In previous years, the Subcommittee has adopted language to allow some flexibility in the skills and experience necessary to qualify for certain Rate Classification Levels (RCL).

**COMMENTS:**

The California Alliance for Families and Children has requested that the Subcommittee adopt Trailer Bill Language that will continue the RCL flexibility provided to Group Homes in prior years. This action would be consistent with prior actions taken by this Subcommittee.

The Alliance has also requested that the Subcommittee adjust the weighting of the rates to reflect child care and prior experience of social workers.

**5180 DEPARTMENT OF SOCIAL SERVICES**

**ISSUE 8: TRANSITIONAL HOUSING PLACEMENT PROGRAM**

The Subcommittee will consider the continuation of the Transitional Housing Placement Program.

**BACKGROUND:**

Established as part of the 2001 Assembly "Foster Care Package", the Transitional Housing Placement Program provides transitional housing to foster youth aged 16-21. The program will serve provide housing to 150 youth in the budget year.

The program was funded with one-time funding that was appropriated in 2001-2002. This funding will be exhausted by the end of the budget year. If additional funds are not allocated to the program, services will cease at some point during the budget year.

**COMMENTS:**

The Subcommittee will consider whether funding for this program should continue beyond the budget year.

## **5180 DEPARTMENT OF SOCIAL SERVICES**

### **ISSUE 9: ADOPTIONS ASSISTANCE PROGRAMS (AAP)**

The Legislative Analyst's Office has proposed a reform of the AAP program.

#### **BACKGROUND:**

The AAP was established in 1982 to provide monthly cash grants to parents who adopt difficult to place children. State law (Welfare and Institutions Code Section 16120) defines difficult to place children as those who, without financial assistance to defray costs associated with the children's special needs, would likely be unadoptable because they are:

- Three years of age or older.
- Members of a racial or ethnic minority.
- Members of a sibling group that should remain intact.
- Physically, mentally, emotionally, or medically handicapped.
- From an adverse parental background.

Adoptive parents receive these grants until their child is 18 years of age or until age 21 if the child has a chronic condition or disability that requires extended assistance. The adopted children remain eligible for Medi-Cal benefits as long as their adoptive parents are receiving an Adoption Assistance grant on their behalf. Another option is for parents to defer their child's enrollment in AAP. This option allows parents to avail themselves of the program at a later date, should their child need the assistance payments for unforeseen expenses.

The AAP caseload has been growing steadily and rapidly since 1995-96. Until recently, the caseload was growing at an increasingly larger percentage rate each year, peaking in 2000-01 at a 21 percent growth rate. For 2001-02, the rate of increase slowed slightly to 16 percent. Finally, for 2002-03 the growth had slowed to 13 percent. Despite the slowing caseload growth, AAP continues to be one of the fastest growing programs in the Department of Social Services (DSS). The department's most recent forecast projects that the caseload will grow by 13 percent in 2003-04 and 10 percent for 2004-05.

During the same period, from 1995-96 through 2003-04, the average grant for AAP grew from \$447 for federally eligible children and \$459 for state-only children, to an estimated \$704 and \$756, respectively. This represents increases of 58 per cent and 65 percent, or approximately 30 percent more than the rate of inflation.

While caseload and grant costs have grown rapidly, the General Fund commitment to the program has grown at an even faster rate. In 1995-96, the state spent \$57.6 million from the General Fund for AAP grants. On average, the General Fund investment has grown by approximately 20 percent each year. By

2002-03, the General Fund amount had grown to \$196 million. That amount is estimated to grow by an additional \$27 million in 2003-04 and by \$25 million in 2004-05.

**LAO's Recommendation:**

LAO's Recommendation (From the Legislative Analyst's *Analysis*)

Based on our review of the program, we conclude that there are several significant ways in which the Legislature could control the costs of the AAP program. Consistent with the above considerations, we recommend enactment of legislation making a series of reforms to AAP, which would improve the cost effectiveness of the program. The specific reforms are presented below.

***Set Grant Levels to Recognize Adoptive Parents' Financial Responsibility.***

While states may not pay more than the maximum amount that the child would have received in Foster Care, there is nothing that precludes California from capping the amount of the AAP grant at a level below the maximum foster care rate. This cap would be consistent with an expectation that adoptive parents take over the role of parenting from the state, including some measure of fiscal responsibility. If the state capped the basic rate at 75 percent of the foster care rate, prospectively, the state would save \$600,000 in 2004-05 on new children entering the system and \$5.5 million in 2005-06 compared to the current program. This savings would increase annually as the pre-AAP reform children age-out of the program and new children are enrolled at the 75 percent level.

***Better Tie Benefit Levels to Need.*** Currently, parents have the option of renegotiating the AAP grant they receive for their child at least once every two years. Essentially, these AAP negotiated increases mirror increases in the Foster Care grants that occur as children age. Under the current program, children receive an average of \$45 per month more as they age in the program, starting at \$425 for 4 year olds and under, and ending at \$597 for children over 14 years old (see Figure 3). The state is not required by the federal government to increase the AAP grant amount based upon the age of the child.

Because these age-driven grant increases are virtually automatic and not based on a demonstration of need, we recommend such increases be eliminated. Instead, the reasons for grant increases should be more narrowly defined. That more narrow definition could include increased costs due to physical, mental, emotional, or medical problems that the child may have, which are directly tied to their birth parents or preadoptive circumstances. This reform would save the state approximately \$900,000 in 2004-05 and \$2 million in 2005-06.

***Narrow Definition of Special Needs to Children Likely to Benefit the Most.***

As we noted earlier, inclusion of adverse parental background as part of the definition of special needs means that virtually all children adopted from the foster care system are eligible for AAP assistance, regardless of whether they would otherwise be hard to place. In fact, one-third meets the definition through the catchall adverse parental background category. Assuming that a small percentage of those children would also qualify under another category, the incoming AAP caseload could be reduced by about 25 percent by eliminating the adverse parental background category. Specifically, under this approach, *healthy* children under the age of 3 that are not members of a minority group would no longer be eligible for immediate financial support. However, parents would remain eligible for deferred benefits. Specifically, if a child subsequently develops a physical, mental, emotional, or medical problem that can be traced directly to his or her birth parents or preadoptive circumstances, then those adoptive parents would be eligible to receive AAP benefits for their child. This is the approach that the State of Ohio has taken in limiting special needs, while still allowing those who may need it later to have access to the program.

This narrowing of the definition of special needs would save the state approximately \$500,000 in 2004-05, growing to \$4 million in 2005-06.

***Implementation.*** The changes outlined above would require new regulations and county guidance. Assuming mid-year implementation, adopting these recommendations would result in General Fund savings of \$2 million in 2004-05 and \$12 million in 2005-06.

<b>COMMENTS:</b>
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The Subcommittee must balance the desire to save General Funds in the AAP program with the need to ensure that the AAP program continues to lead to successful adoptions.

Sierra Adoptions Center has discussed options for reducing the AAP costs without impacting the level of the adoptions. The Subcommittee may wish to explore these options.

**5180 DEPARTMENT OF SOCIAL SERVICES**

**ISSUE 10: LAO OPTIONS IN FOSTER CARE, CHILD WELFARE SERVICES, AND ADOPTIONS**

The LAO has developed a number of options for additional savings that could be adopted to save General Fund.

**BACKGROUND:**

The Legislative Analyst's Offices has proposed the following options for savings in Foster Care, Child Welfare, and Adoptions:

<b>Proposal</b>	<b>Description</b>	<b>Estimate FY 04-05 General Savings</b>
Suspend Foster Parent Clothing Allowance	Foster parents are given a monthly grant to cover the costs of the care of foster children. The clothing allowance provides \$100 per year to supplement the grant.	\$4 million
Suspend stipend for Emancipated Foster Youth	The emancipated foster youth stipend assists emancipated foster youth with finding affordable housing, text books for college or vocational training, employment searches, emergency personal needs, or bus vouchers. This program provides about 9,800 stipends a year.	\$3.6 million
Means Test State-only AAP	As proposed in the prior issue by LAO. Currently AAP cases are not means-tested. This proposal would begin means testing prospectively on future AAP cases.	\$1.5 million
Reduce Frequency of Group Home Visits for monthly to quarterly	State law currently requires a monthly visit of group homes. Federal law requires that group homes be visited semi-annually.	\$8.1 million
<i>Cap annual county Social Work funding at</i>	<i>There is considerable amount of variation among counties in the amount that is paid for social</i>	<i>\$20.8 million</i>

<p><i>\$135,000 per worker</i></p> <hr/>	<p><i>worker costs. This proposal would standardize this variation.</i></p> <hr/>	
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**COMMENTS:**

Subcommittee staff believe that these reductions will have the following impacts:

<b>Proposal</b>	<b>Potential Impact</b>
Suspend Foster Parent Clothing Allowance	Families use these funds for clothes for 66,789 children.
Suspend stipend for emancipated Foster Youth	Would reduce funding to 9,800 of the most vulnerable and needy populations in California
Means Test State-only AAP	Could potentially reduce the number of special needs Adoptions placements. This proposal could create incentives to adopt children that are eligible for federal funds rather than children that are eligible only for State funding.
Reduce Frequency of Group Home Visits for monthly to quarterly	This proposal would reduce the oversight of Group Homes. Foster youth in group homes would see their social workers only 4 times a year, instead of 12 times.
Cap annual county Social Work funding at \$135,000 per worker	Would reduce child welfare funding in counties with higher costs. Bay Area counties would face reduction to their child welfare program because the cost of doing business is higher.