

**REPORT TO THE LEGISLATURE:
NEW FOSTER CARE GROUP HOME
REQUIREMENTS AND INCREASES
IN INDUSTRY'S COSTS**

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STATE OF CALIFORNIA
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Report to the Legislature on New Foster Care Group Home Requirements/Increases in Industry's Costs

LEGISLATIVE MANDATE

Welfare and Institutions Code (W&IC) Section 11462(m), created by Senate Bill (SB) 370, (Chapter 1294, Statutes of 1989), Presley, requires the California Department of Social Services (CDSS) to annually provide the Joint Legislative Budget Committee with a list of any new departmental requirements established during the previous fiscal year concerning the operation of group homes and of any unusual, industry-wide increase in costs associated with the provision of group care which may have significant fiscal impact on providers of group home care.

Additional copies of this report can be obtained from:

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Introduction

This report is submitted to the Joint Legislative Budget Committee (JLBC) pursuant to W&IC Section 11462(m) created by SB 370, (Chapter 1294, Statutes of 1989) which requires CDSS to provide the JLBC with a list of:

- A. Any new departmental requirements established during the previous fiscal year concerning the operation of group homes.
- B. Any unusual, industry-wide increase in costs associated with the provision of group care that may have significant fiscal impact on providers of group home care.

This report lists changes to state law in 2007 that may impose new requirements concerning the operation of group homes or otherwise have a fiscal impact on providers of group home care. In order to implement the new laws listed below, CDSS may issue All County Letters or make regulatory changes:

Rate Relief – Adjusted RCL Point Ranges: SB 84 (Chapter 177, Statutes of 2007) continued temporary rate relief for FY 2007-08. This statute required that for group homes receiving AFDC-FC payments for services performed during FY 2007-08, adjusted point ranges under the Standardized Schedule of Rates will be used for establishing the biennial rates for existing programs. The adjusted RCL point ranges are also used in performing program audits and in determining any resulting rate reduction, overpayment, assessment, or other action. The RCL point ranges were adjusted in order to allow group home providers the opportunity to make changes in program operations to address funding levels.

Minor Dependent Parents: SB 720 (Chapter 475, Statutes of 2007) made amendments regarding the group home rates for minor dependent parents placed with their infants in foster care. Effective January 1, 2008, SB 720 establishes rates paid for the minor dependent parent at the appropriate RCL group home rate and the infant supplement rate of \$890 for the dependent infant. Previously, under SB 500 (Chapter 630, Statutes of 2005), the group home rate for the minor dependent parent and the dependent infant were two separate AFDC-FC group home payments.

Staff Wages: SB 84 (Chapter 177, Statutes of 2007) authorized a five percent increase for the wages for staff providing child care and supervision or performing social work activities, or both, and an increase of twenty-four percent for employer-paid benefits for these staff.

For-Profit Child Care Institution: AB 1462 (Chapter 65, Statutes of 2007) allows payments for children placed in a for-profit child care facility when all criteria are met. During a federal fiscal year for which no restriction on federal matching AFDC-FC payment exists, this bill requires the payment of AFDC-FC benefits for certain children with developmental disabilities, who have special behavioral or medical needs, who are eligible for both federal AFDC-FC payments and regional center services, are placed in a for-profit child care institution, and for whom the county placing agency demonstrates that there are no alternative placement options.

Payments will not be made on behalf of any more than five children in a county at any one time. The county placing agency is required to review and report to the juvenile court at the six-month case plan update regarding the continuing appropriateness of a child's placement.

Federal Benefits: AB 1331 (Chapter 465, Statutes of 2007) requires counties to screen each youth in foster care who is at least 16 ½ years old and not older than 17 ½ years for eligibility to apply for and receive federal SSI benefits. The youth must be nearing emancipation from foster care, or likely to remain in foster care past the usual emancipation age of their eligibility.

Workgroup: AB 1453 (Chapter 466, Statutes of 2007) requires CDSS to convene a workgroup of designated public and private stakeholders, to develop a plan for transforming current group home care for foster children or youth, and for children with serious emotional disorders into a system of residentially-based services.