

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



December 5, 1989

ALL COUNTY INFORMATION NOTICE NO. I-81-89

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY PROBATION DEPARTMENTS
ALL FOSTER CARE GROUP HOME PROVIDERS

SUBJECT: SENATE BILL 370 (CHAPTER 1294, STATUTES OF 1989)

This letter provides information on Senate Bill (SB) 370. The provisions of the bill become effective on January 1, 1990. SB 370 is a comprehensive bill which addressed a variety of issues regarding the Aid to Families with Dependent Children-Foster Care (AFDC-FC) funding, services provision to children in out-of-home care placement, and a more comprehensive statewide services and placement system to assist abused, neglected and troubled children in California who are unable to remain in their own homes.

The following is a summary of the major changes which will occur as a result of this bill's enactment.

o AFDC-FC PROGRAM STATE/COUNTY SHARING RATIO

Under the previous statutory requirements, the 95/5 State/County AFDC-FC program sharing ratio would have expired July 1, 1990. This expiration would have resulted in the pre-1979 sharing ratio, where Counties paid a majority of the non-federal share of AFDC-FC costs. This would have reduced State General Fund costs, and increased County costs, by more than \$400 million annually.

SB 370 extends the current 95/5 State/County sharing ratio for all Counties through June 30, 1995. By June 30, 1994, SDSS, in consultation with the County

Welfare Directors' Association, Chief Probation Officers' Association and foster care providers, is required to develop and implement regulations which establish "performance standards" and outcome measures for County administration of the AFDC-FC Program. The performance standards system will link County administration to the State/County AFDC-FC sharing ratio.

The statutory authority in SB 370 for a permanent resolution to the AFDC-FC sharing ratio system by the implementation of performance standards will balance the Counties' need for continued State funding with the State's need to ensure County accountability in program administration.

Effective July 1, 1995, Counties which meet these performance standards will continue to receive the 95/5 sharing ratio. Counties that fail to meet these standards will be reimbursed at a rate lower than 95 percent. The method by which the sharing ratio will be determined will be specified in the performance standards regulations.

o AFDC-FC FAMILY HOME RATE INCREASES

One of the most important provisions of SB 370 is the mandated increases in the basic family home rates and specialized care rates for AFDC-FC eligible children placed in foster family homes and small family homes. These rates will be increased by 12 percent on January 1, 1990 and by another 5 percent on July 1, 1990. In addition, the clothing allowances Counties provide will receive the same increases. Beginning in FY 1991/92, these rates will be adjusted by the California Necessities Index (CNI), subject to the availability of funds.

o AFDC-FC FOSTER FAMILY AGENCY RATE INCREASES

The statutory cost-of-living adjustment for foster family agencies (FFAs) is eliminated. In the future, FFAs will receive the same percentage increase in their basic rates as family homes. These increases will be distributed in accordance with the applicable regulations governing FFA rate setting.

o AFDC-FC GROUP HOME RATE SETTING

The current cost-based system will be used to set AFDC-FC group home rates through June 30, 1990. Effective July 1, 1990, each group home program will be classified according to the level of care and supervision provided, and a rate will be determined using 14 rate classification levels (RCL), with a single rate established for each RCL.

The bill requires the standardized schedule be phased-in beginning July 1, 1990, and establishes a "rate floor" for each of the three years required for the phase-in process.

For Fiscal Year (FY) 1990/91, the rate floor will be 85 percent of the standard rate for each RCL. All group home programs which received an AFDC-FC rate in FY 1989/90 below the standard rate for the RCL in which they are classified will receive their 1989/90 rate plus an amount equal to the percentage increase in the California Necessities Index (CNI). If this does not raise the group home program's rate to the rate floor, that program will receive a rate at the rate floor. If a program received a 1989/90 rate at or above the standard rate for the RCL in which they have been classified, it will continue to receive that rate for FY 1990/91.

For FY 1991/92, the rate floor will be raised to 92.5 percent of the standard rate for each RCL and group home program rates will be adjusted accordingly. Both the RCL amounts, and program rates below the standard rate, will be adjusted by an amount equal to CNI.

In FY 1992/93, all group home programs will be brought up to 100 percent of the standard rate for each RCL. RCL amounts will again be adjusted by an amount equal to CNI.

Subsequent to FY 1992/93, the standardized schedule of rates will be adjusted by CNI, subject to the availability of funds.

o SPECIALIZED CARE FUNDING

The Department will report to the Legislature, by December 31, 1990, on the AFDC-FC specialized care rate setting system and to make recommendations for its improvement.

The bill also contains language expressing legislative intent for an appropriation equal to 5 percent of AFDC-FC family home costs for FY 1991/92. These funds will be used to encourage Counties to implement or expand their specialized care systems, to recruit and train foster parents to care for children with special needs, and to develop County systems to encourage the placement of children in family homes rather than in group homes.

o CHILD WELFARE SERVICES CASE MANAGEMENT SYSTEM

SDSS will complete the development of and implement the Child Welfare Services Case Management System (CWSCMS) by July 1, 1993. This automated system will provide Counties with immediate access to child and family information in order to make appropriate and expeditious case decisions, as well as case management information in order to manage caseloads and to take appropriate case management actions. The CWSCMS will provide a common data base and give both the State and Counties the ability to monitor and evaluate the success of the child welfare services program.

The Department will use the CWSCMS as the data base to implement and monitor the performance standards system for the AFDC-FC State/County sharing ratio.

o STANDARDIZED PLACEMENT ASSESSMENT AND PROGRAM STATEMENTS

SB 370 requires SDSS to work in conjunction with other State Departments and the Counties to develop two tools which will assist in the placement of children in out-of-home care programs.

By July 1, 1990, a standardized tool will be developed for use by County placement workers in order to match the assessed needs of a child and the child's family with the services provided in out-of-home care. This Level of Care Assessment instrument will assist Counties in ensuring that children placed in intensive group homes require the level of care and services provided. The instrument will contain specific indicators to identify children who will be referred for a mental health needs assessment.

Also by July 1, 1990, SDSS is required to develop a standard format for group home program statements for rate setting, community care licensing and County placement purposes. In the development of both of these tools, SDSS will work in conjunction with other State departments and with the Counties.

o MENTAL HEALTH TREATMENT SERVICES

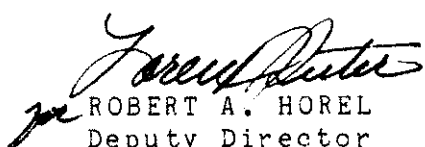
The State Department of Mental Health (DMH) is to develop an individualized mental health needs assessment protocol for court wards and dependents by July 1, 1990.

By October 1, 1990, DMH is required to establish a special system of supplemental mental health services specifically for court wards and dependents. In order to provide these services, \$25 million over the next four fiscal years will be available to DMH.

The implementation of SB 370 over the next few years will result in a comprehensive approach towards placement and services to children in out-of-home care. It will ensure that children are appropriately assessed for the type of placement and services needed while in foster care, and that providers receive an equitable rate for providing the needed services. In addition, Counties will be able to obtain a wide variety of information for both case-specific, and overall case management decisions to assist in the provision of services to children in foster care placement.

As the Department moves forward with the implementation of the various provisions of SB 370, more detailed information will be provided to Counties and foster care providers.

If you have any questions about SB 370, please call your Foster Care consultant at (916) 445-0813.


ROBERT A. HOREL
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Welfare Program Division

cc: CWDA