

NOTICE OF PROPOSED CHANGES IN REGULATIONS OF THE  
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES (CDSS)

ITEM # 2 Foster Family Agency Rates

The CDSS hereby gives notice of the proposed regulatory action(s) described below. Any person interested may present statements or arguments orally or in writing relevant to the proposed regulations at a public hearing to be held September 3, 2014 as follows:

Office Building # 8  
744 P St. Room 103  
Sacramento, California

The public hearing will convene at 10:00 a.m. and will remain open only as long as attendees are presenting testimony. The purpose of the hearing is to receive public testimony, not to engage in debate or discussion. The Department will adjourn the hearing immediately following the completion of testimony presentations. The above-referenced facility is accessible to persons with disabilities. If you are in need of a language interpreter at the hearing (including sign language), please notify the Department at least two weeks prior to the hearing.

Statements or arguments relating to the proposals may also be submitted in writing, e-mail or by facsimile to the address/number listed below. All comments must be received by 5:00 p.m. on September 3, 2014.

Following the public hearing CDSS may thereafter adopt the proposals substantially as described below or may modify the proposals if the modifications are sufficiently related to the original text. With the exception of nonsubstantive, technical, or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption to all persons who testify or submit written comments during the public comment period, and all persons who request notification. Please address requests for regulations as modified to the agency representative identified below.

Copies of the express terms of the proposed regulations and the Initial Statement of Reasons are available from the office listed below. This notice, the Initial Statement of Reasons and the text of the proposed regulations are available on the internet at <http://www.dss.cahwnet.gov/ord>. Additionally, all the information which the Department considered as the basis for these proposed regulations (i.e., rulemaking file) is available for public reading/perusal at the address listed below.

Following the public hearing, copies of the Final Statement of Reasons will be available from the office listed below:

CONTACT: Office of Regulations Development  
California Department of Social Services  
744 P Street, MS 8-4-192  
Sacramento, California 95814  
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## CHAPTERS

The CDSS Manual of Policies and Procedures (MPP), Division 11 (Administrative Standards for Eligibility and Assistance Programs), Chapter 11-400 (AFDC - Foster Care Rates), Section 11-403 (Foster Family Agency Rates).

## INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

County placement agencies use licensed private Foster Family Agencies (FFAs) for the placement of children who require more intensive care as an alternative to group homes. By statute, FFAs are organized and operated on a non-profit basis.

Section 92 of SB 1013 repealed WIC section 11463 and Section 93 of SB 1013 added back in WIC section 11463 with substantive changes to the FFA rate. This legislation changed the rate-setting system to reflect increases in the basic care and supervision rates paid to foster families certified by FFAs and an annual cost-of-living adjustment to those rates, to bring them into parity with basic rates paid to licensed foster family homes (which were recently increased as a result of litigation). Section 93 of SB 1013 further specifies that these changes shall not change the remaining components of the FFA rate.

The provisions in this package will also rely on the department, counties and foster care providers to implement and maintain the rate-setting system for FFAs. Beginning in the 2011-12 fiscal year and for each fiscal year thereafter, an annual cost of living increase based on the California Necessities Index (CNI) shall occur, eliminating the prior rate ceiling. The rate amounts will no longer appear in regulation but in an All County Letter (ACL) issued every fiscal year.

In addition the department shall specify the purposes, types, and services of FFAs, including the use of those agencies for the provision of emergency shelter care. Now, a clear distinction is made FFAs that provide treatment of children in foster families and those that provide non-treatment services.

This regulation package also contains numerous grammatical, clerical and changes for clarity of the FFA rate system as well as elimination of obsolete language originally established by the department and/or created by the new legislation.

The regulatory action will benefit children who are placed in FFAs because they require more intensive care. By clarifying the new rate-setting methodology effective as of July1, 2012, the certified homes that serve these children will be ensured the same financial resources as currently paid to children in foster family homes.

The department considered other possible related regulations in this area and concluded that these proposed regulations are neither inconsistent nor incompatible with state statute for statewide administration of the Aid to Families with Dependent Children-Foster Care program and the intent of the legislature in adopting SB 1013.

## COST ESTIMATE

1. Costs or Savings to State Agencies: The funding to reflect the updated Foster Family Agency Rate was previously included in the May Revision under the Foster Care Basic premise, which has been realigned. There are no additional costs or savings as a result of the implementation of these regulations.

2. Costs to Local Agencies or School Districts Which Must Be Reimbursed in Accordance With Government Code Sections 17500 - 17630: None
3. Nondiscretionary Costs or Savings to Local Agencies: The funding to reflect the updated Foster Family Agency Rate was previously included in the May Revision under the Foster Care Basic premise, which has been realigned. There are no additional costs or savings as a result of the implementation of these regulations.
4. Federal Funding to State Agencies: The funding to reflect the updated Foster Family Agency Rate was previously included in the May Revision under the Foster Care Basic premise, which has been realigned. There are no additional costs or savings as a result of the implementation of these regulations.

#### LOCAL MANDATE STATEMENT

These regulations do impose a mandate upon local agencies, but not on school districts. There are no "state-mandated local costs" in these regulations which require state reimbursement under Section 17500 et seq. of the Government Code.

#### STATEMENT OF SIGNIFICANT ADVERSE ECONOMIC IMPACT ON BUSINESS

The CDSS has made an initial determination that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. This determination was made based on the statutes that established FFAs.

#### STATEMENT OF POTENTIAL COST IMPACT ON PRIVATE PERSONS OR BUSINESSES

The CDSS is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

#### SMALL BUSINESS IMPACT STATEMENT

The CDSS has determined that there is no impact on small businesses as a result of filing these regulations because these regulations are only applicable to state and county agencies.

#### STATEMENT OF RESULTS OF ECONOMIC IMPACT ASSESSMENT

The adoption of the proposed amendments will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand businesses in the State of California. These amendments will improve the health and welfare of California residents by improving the well-being and outcomes for youth receiving Aid to Families with Dependent Children-Foster Care placed with a FFA. This regulatory action does not make changes to regulations involving worker safety or the state's environment, therefore, worker safety and the state's environment will not be impacted by these amended regulations.

#### STATEMENT OF EFFECT ON HOUSING COSTS

The proposed regulatory action will have no effect on housing costs.

## STATEMENT OF ALTERNATIVES CONSIDERED

SB 1013 (Chapter 35, Statutes of 2012) mandates that Section 93 be implemented by adopting regulations. The CDSS did not consider any other alternatives than the one proposed because there have been no other alternatives proposed.

The CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective as and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

## AUTHORITY AND REFERENCE CITATIONS

The CDSS adopts these regulations under the authority granted in Sections 10553, 10554 and 11463(1)(2) of the Welfare and Institutions Code. Subject regulations implement and make specific Section 11463, Welfare and Institutions Code as adopted by SB 1013 (Chapter 35, Statutes of 2012).

## CDSS REPRESENTATIVE REGARDING THE RULEMAKING PROCESS OF THE PROPOSED REGULATION

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Backup:	Zaid Dominguez	(916) 657-2586

## EMERGENCY STATEMENT

These regulations are to be adopted on an emergency basis. In order to allow interested persons an opportunity to submit statements or arguments concerning these regulations, they will be considered at public hearing in accordance with Government Code section 11346.4.