Introduction

California’s child welfare system is an essential component of the state’s safety net. Social workers in each of the 58 counties receive reports of abuse or neglect, investigate and resolve those reports. In 2016, the state’s child welfare agencies received nearly 500,000 reports of child abuse or neglect.¹ When a case is substantiated, as about 14 percent are, a family is either provided with services to ensure a child’s well-being and avoid court involvement, or the child is removed and placed into foster care. About 60,000 California children are living in foster care at any given time. While the state sets broad policy about the care of these children, each county is tasked with assessing children’s situations, identifying needs and crafting a plan to ensure their well-being.

Many foster children live with relatives or nonrelated extended family members (NREFM), who might be family friends, coaches, teachers or other adults who know the child. Others live in foster homes. A small percentage of children are placed into group homes which care for children in institutional settings. While there may be therapeutic purpose to short term stays in group placements for some children, long-term group home stays are associated with elevated rates of reentry into foster care, lower educational achievement, and higher rates of involvement in the juvenile justice system. Children placed in group homes tend to remain in foster care longer and often have a more limited array of permanency options than their peers who are placed in homes with families.

Growing concern over a host of poor outcomes for foster youth in group care settings led California in 2015 to pass landmark legislation to reform the foster care system. Among the changes is a requirement that only children with mental health diagnoses can be placed into institutions and only for short periods of time.

¹ California Child Welfare Indicators Project, dynamic report system allegation reports 2016
The Continuum of Care Reform (CCR) simultaneously instituted other reforms to better focus care on the needs of each child, ensure families are heard and considered, and to ensure that the community system of foster care has adequate supports to care for children with higher needs. One historic challenge to reducing reliance on group home placements is having an adequate supply of home-based family placements, particularly those capable of caring for children with high needs. Traditionally, services have not been readily accessible to enable family caregivers to care for children at risk of group home placement. The CCR seeks to eliminate the practice of placing children into lower levels of group care because beds were open, and family caregivers were not readily available.

Some of the main components of the CCR include:

- Creation of Short-Term Residential Therapeutic Programs (STRTPs), which are intended to stabilize children so that they may return quickly to a family setting.
- Access to specialty mental health services for children in STRTPs and Foster Family Agency (FFA) specialty homes.
- Integration of mental health services and child welfare services.
- Accreditation of STRTPs and FFAs by a nationally recognized body in order to improve quality and oversight.
- Development of publicly available FFA and STRTP performance measures.
- Use of Resource Family Approval (RFA), a new assessment that replaces multiple existing clearance processes for family caregivers and adoptive families.
- Use of child and family teams (CFTs) in decision-making about meeting children’s placement, educational, mental health and other needs.
- A new rate structure for family caregivers.

This hearing will focus on the state’s progress in implementing the multi-pronged CCR effort.

**Outcomes for Children in Group Settings**

Overall outcomes for foster children are poor. A 2013 report identified California foster youth as a “distinct subgroup of academically at risk students,” with poorer outcomes than other at-risk groups. Other research shows a heightened risk of involvement in the justice system and struggles with mental illness. For children who live in institutional settings, outcomes are even worse. Researchers have found that children living in congregate care – such as group homes – are more likely than those who live with foster families to suffer negative outcomes. Young adults who have left group care are less successful than their peers in foster care who are raised in family settings.

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2 https://youthlaw.org/wp-content/uploads/2015/05/the-invisible-achievement-gap-report.pdf
A 2015 report by the Annie Casey Foundation found that:

- Foster youth with at least one group-home placement were almost 2.5 times more likely to become delinquent than their peers in foster care.
- Youth placed in group homes have poorer educational outcomes, including lower test scores in basic English and math than foster children in family settings.
- Youth in congregate care also are more likely to drop out of school and less likely to graduate high school.

Living in a group home also is associated with an increased number of placements for youth, which is correlated to poorer outcomes. Former foster youth who experienced five or more placement changes have the worst outcomes during the transition to adulthood as identified by higher levels of public assistance, poor educational achievement, and likelihood of single parenting.4

Poor results are exacerbated for young children who spend time in group homes, where shift staff replace parents as caregivers.5 The US Administration for Children and Families in 2015 released an evaluation of the use of congregate care across the country.6 It found that 14 percent of foster children were living in congregate settings in 2013. It also found that 8 percent of all children who entered care at age 12 or younger (12,670 of 151,470 children) were placed in a congregate setting at some point during a 5-year follow-up period. One-quarter of the children spent more than a year in group care.

Advocates say a red flag for children who are placed in group care because the social workers are unable to find beds in family settings may be high numbers of young children in lower level group homes. Notably, 63 percent of the foster children who were placed in congregate settings under the age of 12 did not have any clinical indicators reported. Researchers noted, despite these apparent low needs, children younger than 13 comprised an unexpectedly high percentage (31 percent) of children who experienced a congregate care setting. “This concerning percentage of younger children in congregate care underscores the need for careful examination of this special group of children,” according to the authors.7

California’s overall percentage of foster youth in group care has held steady at about 6 percent per year over the last decade. According to point-in-time data supplied by CDSS, 5,163 foster and probation youth were residing in group homes on July 1, 2017. The state uses a Rate Classification System, with Level 14 providing the most intensive mental health services.

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4 Lee, Bethany and Ron Thompson, "Comparing Outcomes for Youth in Treatment Foster Care and Family-style Group Care," Child Youth Services Review, 2008.
7 ibid
The average stay for California children is much longer than the federal government’s recommendation of a few months to stabilize behaviors. Of the California children in group care in 2017, more than 50 percent had been in placement for longer than one year. This is a slight improvement from July 1, 2014, when 69 percent of the 6,060 youth in group homes had been there longer than one year. Such data is the impetus for the CCR.

### The Continuum of Care Reform effort

In response to reports of lengthy stays and poor outcomes for children and adolescents in group care, the CCR intends refocus the use of congregate settings for foster children and reduce the number of placements. Specifics of the plan are outlined in a 2015 report by the CDSS, “California’s Child Welfare Continuum of Care Reform.” The report, which was required by the Legislature (SB 1013, Committee on Budget and Fiscal Review, Chapter 35, Statutes of 2012), is a 56-page blueprint for restructuring the child welfare system to care for children in foster homes.

The CCR report outlines a reform of California’s child welfare system by improving assessments of children and families, emphasizing home-based family placements of foster children, and changing the goals of congregate care placements. “Children should live in their communities in home-based family care settings,” the report noted. In 2015, the Legislature passed the first of three CDSS-sponsored bills enacting the CCR, AB 403 (Mark Stone, Chapter 773, Statutes of 2015). The bill advanced California’s goal to move away from the use of long-term group home care by increasing youth placement into family settings, strengthening training and supports for those families and replacing

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8 CDSS CCR legislative update, February 2018
existing group home care with short-term therapeutic placements. A year later, AB 1997 (Mark Stone, Chapter 612, Statutes of 2016) established requirements for mental health certification of STRTPs, made changes to the RFA process, and provided additional oversight of foster homes, in addition to numerous technical amendments and policy clarifications.

Last year, AB 404 (Mark Stone, Chapter 732, Statutes of 2017) created the Intensive Services Foster Care category for children with high needs, and an option to license respite caregivers, among other changes. Included in the CCR package is a sunset on federal and state participation in rates paid to group homes, effectively eliminating placement into group home care. This year, the same author has introduced AB 1930, which will be the state’s vehicle for any cleanup language on CCR.

A similar shift in philosophy away from group care has been echoed across the country. In recent years, federal law\(^\text{10}\) has directed states to implement policies to ensure that children are placed in a permanent home quickly through reunification, adoption, guardianship, or permanent placement with a fit and willing relative. Federal law now prohibits a plan of long-term foster care for children less than 16 years of age, expands the requirement to notify relatives when a child is brought into care and increased incentives for adoption and guardianship. Last month, Congress passed the Family First Prevention Services Act of 2018, which will restrict federal funding for foster children who are placed in non-foster family homes unless that placement meets clinical, treatment or service needs. For any child not placed in family foster care, the Act limits federal Title IV-E foster care payments to just 14 days, with defined exceptions.

In California, the simultaneous reforms mandated by CCR require changes in the approach to evaluating children’s needs, including the use of a newly adopted evaluation tool, the implementation of child and family teams to determine placements, an increased emphasis on family finding for youth who must enter care and the use of a new resource family approval process for all foster parents and relative caretakers. Specific components of the CCR are described below.

**Elimination of Group homes**

Legislation enacting the CCR includes a statutory sunset of January 1, 2019 to the rates paid for children’s care in group homes. The result of this sunset is to make placement into these facilities solely the financial responsibility of placing counties (\textit{WIC 11402.01, WIC 11462.001, WIC 11462.015}), which is likely to end group home placements.

Originally, the rates were scheduled to sunset at the end of 2017, but statute permitted an extension to be granted by CDSS to allow a facility to continue operating as a group

\(^{10}\) Fostering Connections to Success and Increasing Adoptions Act of 2008 (P.L. 110-351) and the Preventing Sex Trafficking and Strengthening Families Act (P.L. 113-183)
home. The extension must identify “that absent the granting of that exception, there is a material risk to the welfare of children due to an inadequate supply of appropriate alternative placement options to meet the needs of children.” (WIC 11462.04) However, any ability to grant extensions to group homes serving foster youth expires at the end of 2018.

Group homes that serve probation youth may be granted further extensions without sunset if there is a significant risk to the safety of the youth or the public, due to an inadequate supply of short-term residential therapeutic programs or resource families necessary to meet the needs of probation youth.

According to data posted on the CDSS website, 466 group homes with a capacity of more than 4,300 foster and probation youth have sought extensions for group home rates as of February 26.\(^{11}\) While some of these group homes may be in the process of converting to STRTPs, others have indicated they do not intend to convert. This leaves California and its counties with responsibility for placing more than 2,500 foster youth who currently live in group homes into alternative arrangements in the next nine months.

### Out-of-State placements

Children and youth whose needs are too great to be cared for in California – typically those with significant mental health issues or a need for a unique specialized program – may be placed in an out-of-state treatment facility or group home. California law requires out-of-state facilities that take foster youth to comply with California standards for care and treatment.

This means that out-of-state facilities serving foster children must comply with the switch to STRTP standards by Dec. 31, 2018. Some providers already meet STRTP standards, however others – including Father Flanagan Boys Town in Nebraska – have told CDSS it will forfeit its out-of-state license this year because it does not intend to convert to an STRTP.\(^ {12}\) Experts said this could diminish out-of-state placement options for foster youth. California statute permits out-of-state group homes serving probation youth to seek extensions without a sunset date. According to CDSS data, there were more than 1,300 youth placed out of state on March 5, 2018, with 321 in group homes. Of those, 124 were foster youth placed into group homes. During calendar year 2017, the state reports 238 foster youth were placed in out-of-state settings, more than double the 95 youth in similar settings in 2014. The number of foster youth placed out of state has grown steadily since 2014.


Relative care

Both federal and state law state a preference for placing foster children with relatives. Title IV-E of the Social Security Act requires that in order to receive federal foster care and adoption funding, states must “consider giving preference to an adult relative over a nonrelated caregiver when determining placement for a child, provided that the relative caregiver meets all relevant state child protection standards.” Federal law (PL 110-351) requires that when a child is removed from the home, known relatives must be located, contacted and told about the child’s removal within the first 30 days of the removal.

California law (WIC 361.3(c)(2)) defines a relative to be an adult who is related to the child by blood, adoption, or affinity within the words “great”, “great-great”, or “grand” or the spouse of any of these persons even if the marriage was terminated by death or dissolution. The state requires that the following relatives shall be given preferential consideration for the placement of the child: an adult who is a grandparent, aunt, uncle, or sibling. The expectations of a relative who accepts placement of a child in their home are the same as those for licensed foster parents.

A goal of CCR is to expand family-based foster care. Drawing on research which indicates that children are more successful over the long run when they grow up in family environments, and particularly when living with relatives, the reform effort emphasizes care that wraps around a child in the home. Implementation of CCR has included efforts to intensify family finding for children who are part of larger sibling sets, are older, or otherwise are more challenging to place. Included in these efforts are attempts to locate “non-related extended family members” (NREFM) who may be family friends, coaches, teachers or other adults who have a relationship with the child. Concurrent with the elimination of group homes in California is an increased focus on quality parenting, recruiting and retaining foster parents.

Quality Parent Initiative (QPI)

Beginning in 2009, the Quality Parenting Initiative has tried to improve the experiences of California foster youth and their foster parents in 23 counties by supporting their specific needs. The initiative is a collaboration between CDSS and the County Welfare Directors Association and is supported by the Youth Law Center. It establishes the child’s caregiver as a full partner on the team that supports the child and encourages caregivers to assume the role of the child’s parent in a meaningful way. In addition to providing for a child’s basic needs, a quality parent encourages the development of a child’s feeling of self-worth, may mentor the foster child’s biological parents and pledges to maintain a lifelong commitment to the child, if appropriate. QPI is based on the principle that the most important service to provide to a foster child is a good parent.

13 http://www.fosterfamilyhelp.ca.gov/PG2997.htm
Foster Parent Recruitment and Retention and Support (FPRRS)

Recruiting and retaining foster families is fundamental to the success of CCR. Counties and providers say there already is a shortage of qualified parents. To meet that need, the state provided $43 million in FPRRS funding for counties to invest in activities that will retain and increase the number of foster parents, relative caregivers and resource families. The money also is intended to help family members prepare to become foster parents to children they were not expecting. CDSS reports that $35.77 million has been expended as of February 2018.

Counties were given broad parameters to spend the money and the state encouraged innovation. According to CDSS, the majority of FPRRS funding was spent to advance five major goals: family finding, recruitment and outreach, reducing congregate care, stabilizing placements and removing barriers, and supporting caregivers.

Examples of activities include providing respite care for caregivers, subsidizing required caregiver health screenings, facilitating LiveScan fingerprinting, providing initial placement supports to buy items such as diapers or other basic necessities, and counseling and other direct emotional support services.

Many counties provided direct financial support for “normalizing experiences” for children and youth in care (such as swim/gym/karate class fees, summer camps, sports equipment, yearbooks, etc.). Most counties also furnished items such as furniture, car seats, gas cards, etc. In some cases, departments used FPRRS funds to remove barriers to caregiver approval, such as offering required trainings in the caregiver’s home.

Counties spent $5.4 million on recruitment and outreach. Direct outreach examples are displays or booths at community events which offer general information about caregiving. Another popular effort was to have “one stop” event, where prospective caregivers could complete the preliminary steps to be approved as a resource family. Many counties collaborated with community-based and/or faith-based organizations to promote awareness around the need for foster caregivers.
Resource Family Approval (RFA) process

Concurrent with the implementation of CCR under AB 403 was the statewide expansion of a pilot project known as the Resource Family Approval process. The goal of RFA was to eliminate multiple approval processes for foster parents and adoptive parents. The effort was driven by stories of families who were approved for foster care and then found unfit to be adoptive parents during a more thorough psycho-social assessment after having the child in their home for months or years. RFA requires a single, “unified, family friendly and child-centered process.” (HSC 1517)

Under RFA, all prospective foster parents must be approved prior to receiving foster care funding, a process that includes a background check, multiple in-person interviews with a social worker, clearance of the family home, completion of 12 hours of foster parent training and the completed psychosocial assessment. For non-relative caregivers, this process must be completed prior to placement of a child in the home. For relatives and NREFMs, children may be placed on an emergency basis once essential checks have been cleared. However, foster care funds may not be provided, even with a child in the relative’s home, until the process is completed.

Some aspects of RFA have been well-received. Caregivers, social workers and foster youth all say the additional training, including on child-specific topics, has been useful. Some of the optional training topics may include parenting of Commercially Sexually Exploited Children (CSEC) or parenting of children with specific behavioral or health concerns.

However, the move to RFA has been cumbersome. While some counties have been able to complete the process for most families within the 90 days required by CDSS, others have struggled to clear families for approval. According to CDSS, between January 1 and Dec. 20, 2017, there were 16,263 applications for RFA and 4,163 approvals. The chart below provides more detail.

<table>
<thead>
<tr>
<th>Statewide (44 counties)</th>
<th>Number</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total RFA applications received since 1/1/17</td>
<td>16,263</td>
<td>100%</td>
</tr>
<tr>
<td>Pending RFA applications since 1/1/17</td>
<td>8,831</td>
<td>54%</td>
</tr>
<tr>
<td>RFA approvals since 1/1/17</td>
<td>4,163</td>
<td>26%</td>
</tr>
<tr>
<td>Withdrawn applications since 1/1/17</td>
<td>3,140</td>
<td>19%</td>
</tr>
<tr>
<td>RFA denials since 1/1/17</td>
<td>101</td>
<td>1%</td>
</tr>
<tr>
<td>RFA applications taking longer than 90 days</td>
<td>6,667</td>
<td>41%</td>
</tr>
<tr>
<td>Approved after 90 days</td>
<td>1,795</td>
<td>11%</td>
</tr>
<tr>
<td>Remain pending after 90 days</td>
<td>4,872</td>
<td>30%</td>
</tr>
</tbody>
</table>

Source: Legislative Analyst’s Office using data from the California Department of Social Services, February 2018

Various counties have described delays much longer than 90 days, including Los Angeles, which reports a significant backlog of RFA applications. Caseworkers describe delays of family approvals of six or nine months, or more.
For lower-income families, those with multiple foster children, or those needing expensive supports such as child care, these delays can result in children being returned to the county for placement elsewhere. According to data from Los Angeles County, just 5 percent of 1,005 RFA applications were approved within the required 90 days between January 1, 2017 and January 31, 2018. Meanwhile, 52 percent of RFA applications had been pending longer than 180 days, or six months.

An urgency trailer bill passed the Senate last week which will require at least 90 days of payments be made to caregivers who already have a child placed in their homes on an emergency basis while RFA approval is pending. Three other bills are pending in the Legislature this year to modify the RFA process.

Restructuring Rates to Foster Parents

The reforms include a restructured rate calculation for the care of foster children. Previously, a rate to a foster parent was based on a child’s age, and could be increased for specified medical or behavioral needs. A new level-of-care rate structure was enacted along with implementation of the other aspects of CCR, along with a tool to determine what rate each child’s caregiver should receive. Under CCR, the rates are evaluated based on the amount of caregiving that is needed for each individual child.

Concerns about the validity and reliability of the tool has prompted CDSS to scale down the implementation, which had been set for this month. After a smaller-scale roll-out in March, the tool will be deployed for statewide use in May.

Coordination with Mental Health plans

One of the most essential changes under the CCR is to better integrate mental health care into foster care. Over the past three years, CDSS and DHCS and their county counterparts – the County Welfare Directors Association and the County Behavioral Health Directors Association – have worked to identify areas where they can better coordinate care. Symbolically, the two state agencies now issue joint guidance on CCR directives and meet regularly to work out issues. However, the practical effect of requiring this integration may have longer term benefits for youth in the system. One effort underway is a case review study by both agencies to identify gaps in information about foster children’s screening, assessment and referrals to mental health services.

Both departments have begun tracking rates of mental health service usage for children in the foster care system. Data is not current due to claiming lags – the most recent dates reported pre-date CCR implementation. Between FY 12-13 and FY 15-16, the rates of foster children receiving at least one mental health service were approximately 50 percent annually. Under the state’s billing claims system, it is impossible to determine whether this service was a simple assessment or other mental health service. In the same time
frame, about one-third of foster children received five or more services in a given year, which the state interprets as a child being engaged in treatment.

Under CCR, some advocates expect to see increased levels of these mental health services, especially for children and youth in family placement settings.

*Short-Term Residential Therapeutic Programs (STRTP)*

CCR limits the use of residential congregate treatment to children requiring high levels of therapeutic intervention, and only for a short time. State law requires that a child who enters an STRTP must be assessed by a mental health professional as needing that level of therapeutic care. The child’s treatment must include a plan for transitioning the child to a less restrictive environment and the projected timeline for doing so. Placements lasting longer than six-months must be approved by the deputy director or director of the county child welfare agency or probation department. Effective January 1, 2017, all STRTPs are required to obtain national accreditation.

The state assumes there will be a decrease in the number of congregate providers that are needed as it moves from group homes to high-level therapeutic treatment. CDSS has not identified the number of needed beds. Licensure and program approval of the STRTPs began in 2017. According to CDSS, there are 82 licensed STRTP sites as of February 2018. Under state law, an STRTP has 12 months from the date of licensure to obtain a mental health program approval, or the license is invalid. Final program approval requirements are pending release from the Department of Health Care Services (DHCS), although interim requirements have been released.

DHCS reports receiving 20 applications from STRTPs seeking a mental health program approval. Fourteen of the 20 have been licensed by CDSS. The remaining six facilities are not being considered for a mental health program approval until they are licensed by CDSS. None of the applicants has received a program approval to date, although the 14 active applications are in various stages of review.

According to DHCS, there is some confusion among county mental health plans which has led to the counties directly receiving and processing program approvals without these applications being submitted to DHCS. Because of this, there may be STRTPs who have received mental health program approvals directly from a county mental health plan, but DHCS is unaware if an STRTP has been approved or denied. The department has said it will issue a notice to counties in March clarifying the process to provide a program approval. Other issues to be clarified, include the state’s direction to county mental health departments to either process all STRTP applications within their jurisdiction, or to defer all STRTP applicants to the state. Counties have said this prevents them from having discretion over which STRTPs to approve. DHCS said it intends to clarify this issue.
Intensive Services Foster Care (ISFC)

Effective January 1, 2018, a new category of licensure, Intensive Services Foster Care, was established to care for children with high medical, developmental or behavioral needs. An ISFC home may be run by a private nonprofit organization, or a county. The ISFC will be a home-based family care program for children whose needs require specially trained resource parents and intensive professional and paraprofessional services in order to avoid group care, institutionalization or out-of-state placement. A component of this model of care is clinical support staff to help foster parents with the child’s behavioral or medical needs.

ISFC expands on the existing Intensive Treatment Foster Care which is provided in a foster home to children with serious emotional or behavioral issues. Under CCR, the intensive treatment model will be used as a step-down or a diversion from an STRTP. It also may be used to care for children and youth with developmental disabilities or with intensive medical needs. The regulations for ISFCs have not yet been released by CDSS. However, counties and providers say they are concerned about the apparent lack of available skilled foster parents to provide treatment homes.

Child and Family Teams (CFT)

One key change implemented under AB 403 is a requirement to provide all foster youth with a child and family team – instead of relying solely on a single social worker – and to empower those teams to use a more consistent assessment tool that identifies the needs of the child. A child and family team includes the foster child, foster parents, biological family, if appropriate, relatives and their formal and informal support network. The function of the CFT is to ensure that each person’s perspectives are incorporated throughout the case. Conversations are facilitated by the caseworker, or other facilitator, and focused on identifying strengths and resolving needs of the child.

The CFT becomes the vehicle to collaborate in assessing, case planning, and making placement decisions to support a family to succeed. Current and former foster youth, in particular, have embraced the child and family team concept to ensure youth have a voice in their own case planning.

Accompanying the CFT is a new tool, the Child and Adolescent Needs and Strengths (CANS) assessment. The tool will be used by child welfare case workers to assess mental wellness, education and other functioning levels in order to support the foster child. A similar tool currently is used to assess children entering the mental health system. CDSS and DHCS have said they intend to merge the tools once they are both operational in order to better coordinate children’s care.
Conclusion

The goals of the CCR effort enjoy broad philosophical support throughout the state. It was preceded by three years of stakeholder efforts and continues to have ongoing feedback from youth, families, providers, caseworkers and others. It also appears to enjoy a general consensus that positive reforms are in place, and will result in the goals of a more child-based, family-centered system which produces better outcomes for children in foster care.

In the interim, the reform effort is substantial and multi-faceted. Faced with the simultaneous implementation of the Resource Family Approval Process, Child and Family Teams, closure of group homes, investment in STRTPs and shift to family-based treatment, counties are struggling to implement all of the changes concurrently. The specific challenges and successes in each county vary by county, however every county appears to be struggling with some aspects of implementation. However, questions remain about how best to oversee and adapt implementation over time.