

AMENDED IN ASSEMBLY APRIL 13, 1998
AMENDED IN ASSEMBLY MARCH 30, 1998

CALIFORNIA LEGISLATURE—1997-98 REGULAR SESSION

ASSEMBLY BILL

No. 1724

Introduced by Assembly Member Richter

February 2, 1998

An act to add Section 11462.12 to the Welfare and Institutions Code, relating to human services, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1724, as amended, Richter. Foster care rates.

Existing law provides for the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program, under which payments are provided to foster care homes on behalf of low-income children.

Under existing law, the State Department of Social Services sets AFDC-FC rates for foster group homes, in accordance with specified requirements.

This bill would require the department to ~~authorize the establishment of 5-year pilot projects in no less than 3 counties, at the discretion of the counties~~ *establish a 3-year statewide pilot project, at the discretion of each county*, for the purpose of testing the efficiency and cost-effectiveness of an alternative group home program structure, including county authority to establish group home payment rates ~~and staffing requirements~~.

The bill would require the department to administer the project in accordance with specified requirements, including a requirement that a report be submitted to the Legislature by January 1, 2002.

Since state funds are continuously appropriated to pay for a share of the cost of AFDC-FC payments, the bill would, by allowing counties to increase group home payment rates, constitute an appropriation.

Vote: ²/₃. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 11462.12 is added to the Welfare
2 and Institutions Code, to read:

3 11462.12. (a) The department shall ~~authorize~~ the
4 *establish a statewide pilot project for a period of three*
5 *years, commencing July 1, 1999, for the purpose of testing*
6 *the efficiency and cost-effectiveness of an alternative*
7 *group home program structure, including county*
8 *authority to establish AFDC-FC payment rates, to work*
9 *with group home programs to determine appropriate*
10 *program design and measurable service delivery*
11 *outcomes for identified groups of children, to put into*
12 *practice recent federal, state, and county initiatives to*
13 *develop integrated service delivery systems for foster*
14 *children in group homes, and to maximize the use of*
15 *federal and state resources.*

16 (b) (1) *Notwithstanding Section 11462 and 11462.01,*
17 *any county electing to participate in the pilot project may*
18 *negotiate payment rates with individual group homes, as*
19 *defined in subdivision (h) of Section 11400, in the county.*

20 (2) *The statewide pilot project shall be limited to not*
21 *more than 2,400 group home placements at any one time.*
22 *Under the pilot project, each participating county shall*
23 *be limited to not more than 300 group home placements*
24 *at any one time.*

25 (3) *No group home provider shall be required to*
26 *participate in the pilot project.*



1 (4) For purposes of determining reimbursement to
2 the county pursuant to subdivision (c) of Section 15200,
3 the department shall be bound by a group home
4 reimbursement rate negotiated with a pilot county
5 pursuant to this subdivision, if the group home is included
6 in the proposal certified by the department pursuant to
7 subdivision (d). The reimbursement rate established
8 pursuant to this subdivision shall be the rate for any
9 county placing children in the facility, regardless of
10 whether that county is participating in the pilot project.

11 (5) Counties may establish consortia for the
12 development and implementation of a pilot program
13 under this section.

14 (c) (1) A county wishing to establish a pilot project
15 shall submit a proposal or proposals to the department.
16 County welfare and probation departments may submit
17 separate proposals or a combined proposal. Proposals may
18 be submitted no earlier than March 1, 1999.

19 (2) Each proposal shall include all of the following:

20 (A) The criteria for evaluating the success of the pilot
21 project. These criteria shall include, but not be limited to,
22 the criteria set forth in paragraph (2) of subdivision (f).

23 (B) The types of children to be served.

24 (C) The names of the group home programs that will
25 be participating, including identification of the licensed
26 facilities and their licensed capacities. Prior to the
27 submission of the proposal, the county and each
28 participating group home shall have entered into a
29 negotiated agreement concerning their AFDC-FC rate,
30 their program design, and the population of children they
31 would be serving, except that this agreement shall not be
32 binding until the proposal is certified by the department.

33 (D) Mechanisms the county will use to ensure fiscal
34 and program accountability.

35 (E) Standards that the county will use to ensure that
36 the quality of care and services provided to children in
37 the pilot project are improved.

38 (d) The department shall, within 60 days, certify
39 county proposals for completeness or inform the county
40 of the specific areas where the proposal is not complete.



1 *If the county does not receive comment from the*
2 *department within 60 days of submission of the proposal,*
3 *then the proposal shall be deemed complete and*
4 *certified.*

5 *(e) Reimbursement under the rates negotiated by*
6 *each participating county shall begin upon certification*
7 *by the department, but in no event earlier than July 1,*
8 *1999.*

9 *(f) (1) Participating counties shall submit their*
10 *findings on the criteria for measuring the success of the*
11 *pilot project to the department no later than October 1,*
12 *2001. Based upon these findings and other appropriate*
13 *information, the department shall submit a statewide*
14 *evaluation to the Legislature by no later than January 1,*
15 *2002.*

16 *(2) The success or failure of the pilot project shall be*
17 *determined based upon, among other factors, all of the*
18 *following:*

- 19 *(A) The length of stay in foster care.*
- 20 *(B) Recidivism rates.*
- 21 *(C) School performance.*
- 22 *(D) Client satisfaction.*
- 23 *(E) Planned discharges.*
- 24 *(F) Restrictiveness of the child's next placement or*
25 *whether the child is reunified with his or her family.*
- 26 *(G) Overall cost-effectiveness.*

27 *(g) The department shall, by March 1, 1999, submit its*
28 *request to the United States Department of Health and*
29 *Human Services for amendment or waiver to the state*
30 *plan under Subtitle E (commencing with Section 470) of*
31 *Title IV of the federal Social Security Act (42 U.S.C. Sec.*
32 *670) necessary to ensure federal financial participation*
33 *for children in group homes participating in the pilot*
34 *project.*

35 ~~*establishment of five-year pilot projects in no less than*~~
36 ~~*three counties, at the discretion of the counties, for the*~~
37 ~~*purpose of testing the efficiency and cost-effectiveness of*~~
38 ~~*an alternative group home program structure, including*~~
39 ~~*county authority to establish payment rate and staffing*~~
40 ~~*requirements that meet the needs of children requiring*~~



1 ~~out-of-home placement. Each participating pilot county~~
2 ~~may negotiate payment rates with individual group~~
3 ~~homes, as defined in subdivision (h) of Section 11400;~~
4 ~~based on program design and measurable service~~
5 ~~delivery outcomes for identified special groups of~~
6 ~~children.~~

7 ~~(b) For purposes of determining reimbursement to~~
8 ~~the county pursuant to subdivision (c) of Section 15200;~~
9 ~~the department shall be bound by a group home's~~
10 ~~reimbursement rate negotiated with a pilot county~~
11 ~~pursuant to subdivision (b).~~

12 ~~(e) The department shall seek approval from the~~
13 ~~United States Department of Health and Human Services~~
14 ~~for any amendment or waiver to the state plan under~~
15 ~~Subtitle E (commencing with Section 470) of Title IV of~~
16 ~~the federal Social Security Act (42 U.S.C. 670) necessary~~
17 ~~to ensure federal financial participation for children~~
18 ~~placed in group homes pursuant to this section.~~

19 ~~SEC. 2. Section 11462 is added to the Welfare and~~
20 ~~Institutions Code, to read:~~

21 ~~11462. Each county department of social services~~
22 ~~shall, on an annual basis, negotiate a rate with those group~~
23 ~~homes with which they wish to place children. These~~
24 ~~rates shall be based upon the needs of the county, for~~
25 ~~services to their dependent and neglected children, and~~
26 ~~actual and allowable cost, as provided for in Subtitle E~~
27 ~~(commencing with Section 470) of Title IV of the federal~~
28 ~~Social Security Act (42 U.S.C. 670 et seq.).~~

29 ~~SEC. 3. Section 11462.01 of the Welfare and~~
30 ~~Institutions Code is repealed.~~

31 ~~SEC. 4. Section 11462.05 of the Welfare and~~
32 ~~Institutions Code is repealed.~~

33 ~~SEC. 5. Section 11462.06 of the Welfare and~~
34 ~~Institutions Code is repealed.~~

