

## **Redirection of County Savings (HHS 651)**

### **Section 10101 of the Welfare and Institutions Code is amended to read:**

10101. (a) (1) For the 1991-92 fiscal year and each fiscal year thereafter, the state's share of the costs of the child welfare program shall be 70 percent of the actual nonfederal expenditures for the program or the amount appropriated by the Legislature for that purpose, whichever is less.

(2) Notwithstanding paragraph (1), the state share of the cost of the child welfare program shall be 30 percent of the actual nonfederal expenditures for the program, or the amount appropriated by the Legislature for that purpose, whichever is less. This paragraph shall be operative on the first day of the first month following 90 days after enactment of the act that amends this section.

(b) Federal funds received under Title 20 of the federal Social Security Act (42 U.S.C. Sec. 1397 et seq.) and appropriated by the Legislature for child welfare services shall be considered part of the state share of cost and not part of the federal expenditures for this program.

(c) Notwithstanding subdivision (a), the amount of funds appropriated from the General Fund in the annual Budget Act that equates to the amount claimed under the Emergency Assistance Program that has been included in the state's Temporary Assistance for Needy Families block grant for child welfare services shall be considered federal funds for the purposes of calculating the county's share of cost, provided the expenditure of these funds contributes to the state meeting its federal maintenance of effort requirements.

### **Section 11403.3 of the Welfare and Institutions Code is amended to read:**

11403.3. (a) (1) Subject to subdivision (b), a transitional housing placement program, as defined in Section 11400, that provides

transitional housing services to an eligible youth in a facility licensed pursuant to subdivision (a) of Section 1559.110 of the Health and Safety Code, shall be paid a monthly rate that is 75 percent of the average foster care expenditures for foster youth 16 to 18 years of age, inclusive, in group home care in the county in which the program operates.

(2) Subject to subdivision (c), a transitional housing placement program, as defined in Section 11400, that provides transitional housing services to an eligible youth in a facility certified pursuant to subdivision (e) of Section 1559.110 of the Health and Safety Code, shall be paid a monthly rate that is 70 percent of the average foster care expenditures for foster youth 16 to 18 years of age, inclusive, in group home care in the county in which the program operates.

(b) Payment to a transitional housing placement program for transitional housing services provided to a person described in paragraph (1) of subdivision (a) of Section 11403.2 shall be subject to the following conditions:

(1) An amount equal to the base rate, as defined in subdivision (d), shall be paid for transitional housing services provided.

(2) Any additional amount payable pursuant to subdivision (a) shall be contingent on both of the following:

(A) The availability of moneys in the Transitional Housing for Foster Youth Fund established in Section 11403.4, or appropriated for this purpose in the annual Budget Act for the cost of the program, to pay the state share of cost of the additional amount.

(B) Election by the county placing the youth in the transitional housing placement program to participate in the costs of the additional amount, pursuant to subdivision (g).

(c) (1) Payment to a transitional housing placement program for transitional housing services provided pursuant to paragraph (2) of

subdivision (a) of Section 11403.2 shall be subject to the following conditions:

(A) Any Supportive Transitional Emancipation Program (STEP) payment payable pursuant to Section 11403.1 shall be paid for transitional housing services provided.

(B) Any amount payable pursuant to subdivision (a) to a transitional housing placement program for services provided to a person described in paragraph (2) of subdivision (a) of Section 11403.2 shall be paid contingent on the availability of moneys appropriated for this purpose in the annual Budget Act for the state cost of the program.

(2) The department may limit new participants into transitional housing placement programs if state costs for this subdivision are projected to exceed moneys appropriated for this purpose in the annual Budget Act.

(d) (1) As used in this section, "base rate" means the rate a transitional housing placement program was approved to receive on June 30, 2001. If a program commences operation after this date, the base rate shall be the rate the program would have received if it had been operational on June 30, 2001.

(2) Notwithstanding subdivision (a), no transitional housing placement program with an approved rate on July 1, 2001, shall receive a lower rate than its base rate.

(e) Any reductions in payments to a transitional housing placement program pursuant to the implementation of paragraph (2) of subdivision (b) or subparagraph (B) of paragraph (1) of subdivision (c) shall not preclude the program from acquiring from other sources, additional funding necessary to provide program services.

(f) The department shall develop, implement, and maintain a ratesetting system schedule for transitional housing placement programs pursuant to subdivisions (a) to (d), inclusive.

(g) (1)(A) Funding for the rates payable under this section for persons described in paragraph (1) of subdivision (a) of Section 11403.2 shall be subject to a sharing ratio of 40 percent state and 60 percent county share of nonfederal funds.

(B) Notwithstanding subparagraph (A), funding for the rates payable under this section for persons described in paragraph (1) of subdivision (a) of Section 11403.2 shall be subject to a sharing ratio of 25 percent state and 75 percent county share of nonfederal funds. This paragraph shall be operative on the first day of the first month following 90 days after enactment of the act that amends this section.

(2) Funding for the rates payable under this section for persons described in paragraph (2) of subdivision (a) of Section 11403.2 shall be subject to a sharing ratio of 100 percent state and 0 percent county funds.

**Section 11461 of the Welfare and Institutions Code is amended to read:**

11461. (a) For children placed in a licensed or approved family home with a capacity of six or less, or in an approved home of a relative or nonrelated legal guardian, or the approved home of a nonrelative extended family member as described in Section 362.7, the per child per month rates in the following schedule shall be in effect for the period July 1, 1989, through December 31, 1989:

| Age        | Basic rate |
|------------|------------|
| 0-4.....   | \$ 294     |
| 5-8.....   | 319        |
| 9-11.....  | 340        |
| 12-14..... | 378        |
| 15-20..... | 412        |

(b) (1) Any county that, as of October 1, 1989, has in effect a basic rate that is at the levels set forth in the schedule in subdivision (a), shall continue to receive state participation, as specified in subdivision (c) of Section 15200, at these levels.

(2) Any county that, as of October 1, 1989, has in effect a basic rate that exceeds a level set forth in the schedule in subdivision (a), shall continue to receive the same level of state participation as it received on October 1, 1989.

(c) The amounts in the schedule of basic rates in subdivision (a) shall be adjusted as follows:

(1) Effective January 1, 1990, the amounts in the schedule of basic rates in subdivision (a) shall be increased by 12 percent.

(2) Effective May 1, 1990, any county that did not increase the basic rate by 12 percent on January 1, 1990, shall do both of the following:

(A) Increase the basic rate in effect December 31, 1989, for which state participation is received by 12 percent.

(B) Increase the basic rate, as adjusted pursuant to subparagraph (A) by an additional 5 percent.

(3) (A) Except as provided in subparagraph (B), effective July 1, 1990, for the 1990-91 fiscal year, the amounts in the schedule of basic rates in subdivision (a) shall be increased by an additional 5 percent.

(B) The rate increase required by subparagraph (A) shall not be applied to rates increased May 1, 1990, pursuant to paragraph (2).

(4) Effective July 1, 1998, the amounts in the schedule of basic rates in subdivision (a) shall be increased by 6 percent.

Notwithstanding any other provision of law, the 6-percent increase provided for in this paragraph shall, retroactive to July 1, 1998, apply to every county, including any county to which paragraph (2) of subdivision (b) applies, and shall apply to foster care for every

age group.

(5) Notwithstanding any other provision of law, any increase that takes effect after July 1, 1998, shall apply to every county, including any county to which paragraph (2) of subdivision (b) applies, and shall apply to foster care for every age group.

(6) The increase in the basic foster family home rate shall apply only to children placed in a licensed foster family home receiving the basic rate or in an approved home of a relative or nonrelative extended family member, as described in Section 362.7 or nonrelated legal guardian receiving the basic rate. The increased rate shall not be used to compute the monthly amount that may be paid to licensed foster family agencies for the placement of children in certified foster homes.

(d) (1) (A) Beginning with the 1991-92 fiscal year, the schedule of basic rates in subdivision (a) shall be adjusted by the percentage changes in the California Necessities Index, computed pursuant to the methodology described in Section 11453, subject to the availability of funds.

(B) In addition to the adjustment in subparagraph (A) effective January 1, 2000, the schedule of basic rates in subdivision (a) shall be increased by 2.36 percent rounded to the nearest dollar.

(C) Effective January 1, 2008, the schedule of basic rates in subdivision (a), as adjusted pursuant to subparagraph (B), shall be increased by 5 percent, rounded to the nearest dollar. The increased rate shall not be used to compute the monthly amount that may be paid to licensed foster family agencies for the placement of children in certified foster family homes, and shall not be used to recompute the foster care maintenance payment that would have been paid based on the age-related, state-approved foster family home care rate and any applicable specialized care increment, for any adoption assistance agreement entered into prior to October 1, 1992, or in any subsequent

reassessment for adoption assistance agreements executed before January 1, 2008.

(2) (A) Any county that, as of the 1991-92 fiscal year, receives state participation for a basic rate that exceeds the amount set forth in the schedule of basic rates in subdivision (a) shall receive an increase each year in state participation for that basic rate of one-half of the percentage adjustments specified in paragraph (1) until the difference between the county's adjusted state participation level for its basic rate and the adjusted schedule of basic rates is eliminated.

(B) Notwithstanding subparagraph (A), all counties for the 1999-2000 fiscal year and the 2007-08 fiscal year shall receive an increase in state participation for the basic rate of the entire percentage adjustment described in paragraph (1).

(3) If a county has, after receiving the adjustments specified in paragraph (2), a state participation level for a basic rate that is below the amount set forth in the adjusted schedule of basic rates for that fiscal year, the state participation level for that rate shall be further increased to the amount specified in the adjusted schedule of basic rates.

(e) (1) As used in this section, "specialized care increment" means an approved amount paid with state participation on behalf of an AFDC-FC child requiring specialized care to a home listed in subdivision (a) in addition to the basic rate. On the effective date of this section, the department shall continue and maintain the current ratesetting system for specialized care.

(2) Any county that, as of the effective date of this section, has in effect specialized care increments that have been approved by the department, shall continue to receive state participation for those payments.

(3) Any county that, as of the effective date of this section, has

in effect specialized care increments that exceed the amounts that have been approved by the department, shall continue to receive the same level of state participation as it received on the effective date of this section.

(4) (A) Except for subparagraph (B), beginning January 1, 1990, specialized care increments shall be adjusted in accordance with the methodology for the schedule of basic rates described in subdivision (c) and (d). No county shall receive state participation for any increases in a specialized care increment which exceeds the adjustments made in accordance with this methodology.

(B) Notwithstanding subdivision (e) of Section 11460, for the 1993-94 fiscal year, an amount equal to 5 percent of the State Treasury appropriation for family homes shall be added to the total augmentation for the AFDC-FC program in order to provide incentives and assistance to counties in the area of specialized care. This appropriation shall be used, but not limited to, encouraging counties to implement or expand specialized care payment systems, to recruit and train foster parents for the placement of children with specialized care needs, and to develop county systems to encourage the placement of children in family homes. It is the intent of the Legislature that in the use of these funds, federal financial participation shall be claimed whenever possible.

(f) (1) As used in this section, "clothing allowance" means the amount paid with state participation in addition to the basic rate for the provision of additional clothing for an AFDC-FC child, including, but not limited to, an initial supply of clothing and school or other uniforms.

(2) Any county that, as of the effective date of this section, has in effect clothing allowances, shall continue to receive the same level as it received on the effective date of this section.

(3) (A) Commencing in the 2007-08 fiscal year, for children whose

foster care payment is the responsibility of Colusa, Plumas, and Tehama Counties, the amount of the clothing allowance may be up to two hundred seventy-four dollars (\$274) per child per year.

(B) Each county listed in subparagraph (A) that elects to receive the clothing allowance shall submit a Clothing Allowance Program Notification to the department within 60 days after the effective date of the act that adds this paragraph.

(C) The Clothing Allowance Program Notification shall identify the specific amounts to be paid and the disbursement schedule for these clothing allowance payments.

(4) Beginning January 1, 1990, except as provided in paragraph (5), clothing allowances shall be adjusted annually in accordance with the methodology for the schedule of basic rates described in subdivision (c) and (d). No county shall be reimbursed for any increases in clothing allowances which exceed the adjustments made in accordance with this methodology.

(5) For the 2000-01 fiscal year and each fiscal year thereafter, without a county share of cost, notwithstanding subdivision (e) (a) of Section 15200, each child shall be entitled to receive a supplemental clothing allowance of one hundred dollars (\$100) per year subject to the availability of funds. The clothing allowance shall be used to supplement, and not supplant, the clothing allowance specified in paragraph (1).

**Section 11463 of the Welfare and Institutions Code is amended to read:**

11463. (a) (1) The department, with the advice, assistance, and cooperation of the counties and foster care providers, shall develop, implement, and maintain a ratesetting system for foster family agencies.

(2) No county shall be reimbursed for any percentage increases in payments, made on behalf of AFDC-FC funded children who are placed

with foster family agencies, that exceed the percentage cost-of-living increase provided in any fiscal year beginning on January 1, 1990, as specified in subdivision (c) of Section 11461.

(b) The department shall develop regulations specifying the purposes, types, and services of foster family agencies, including the use of those agencies for the provision of emergency shelter care. A distinction, for ratesetting purposes, shall be drawn between foster family agencies that provide treatment of children in foster families and those that provide nontreatment services.

(c) The department shall develop and maintain regulations specifying the procedure for the appeal of department decisions about the setting of an agency's rate.

(d) On and after July 1, 1998, the schedule of rates, and the components used in the rate calculations specified in the department's regulations, for foster family agencies shall be increased by 6 percent, rounded to the nearest dollar. The resultant amounts shall constitute the new schedule of rates for foster family agencies.

(e) (1) On and after July 1, 1999, the schedule of rates and the components used in the rate calculations specified in the department's regulations for foster family agencies shall be adjusted by an amount equal to the California Necessities Index computed pursuant to Section 11453, rounded to the nearest dollar, subject to the availability of funds. The resultant amounts shall constitute the new schedule of rates for foster family agencies, subject to further adjustment pursuant to paragraph (2).

(2) In addition to the adjustment specified in paragraph (1), commencing January 1, 2000, the schedule of rates and the components used in the rate calculations specified in the department's regulations for foster family agencies shall be increased by 2.36 percent, rounded to the nearest dollar. The resultant amounts shall constitute the new schedule of rates for foster family agencies.

(f) For the 1999–2000 fiscal year, foster family agency rates that are not determined by the schedule of rates set forth in the department's regulations, shall be increased by the same percentage as provided in subdivision (e).

(g) For the 2000–01 fiscal year and each fiscal year thereafter, without a county share of cost, notwithstanding subdivision ~~(e)~~ (a) of Section 15200, the foster family agency rate shall be supplemented by one hundred dollars (\$100) for clothing per year per child

in care, subject to the availability of funds. The supplemental payment shall be used to supplement, and shall not be used to supplant, any clothing allowance paid in addition to the foster family agency rate.

**Section 11466.23 of the Welfare and Institutions Code is amended to read:**

11466.23. (a) It is the intent of the Legislature to comply with the federal requirements of the Improper Payments Act of 2002 with respect to the remittance of the federal share of foster care overpayments.

(b) For the purposes of this section, a federal foster care or adoption assistance overpayment is defined as any amount of aid paid to which a foster care provider or adoption assistance recipient was not entitled, including any overpayment identified by a foster care provider as described in Section 11400, or federal Adoption Assistance Program recipient as described in Chapter 2.1 (commencing with Section 16115) of Part 4.

(c) Counties shall be required to remit the appropriate amount of federal funds upon identification of the overpayment, following the completion of due process.

(1) Counties shall not be required to repay the overpayment when any of the following occurs:

(A) The amount is legally uncollectible, including any amount legally uncollectible pursuant to Section 11466.24.

(B) The cost of collection exceeds the overpayment.

(C) The foster family agency or group home is no longer in business or licensed by the department.

(2)(A) Remittance of overpayments of federal AFDC-FC funds and federal AAP funds not excluded by paragraph (1) shall be shared by the state and the counties based on a 40 percent state, 60 percent county sharing ratio. Upon actual collection of any overpayments

from providers or recipients, the county shall ensure that the total amount reimbursed to the state reflects the federal and state share of the overpayment costs, as specified. All overpayments of federal AFDC-FC funds and federal AAP funds included in paragraph (1) shall be repaid completely with state funds.

(B)Notwithstanding subparagraph (A), remittance of overpayments of federal AFDC-FC funds and federal AAP funds not excluded by paragraph (1) shall be shared by the state and the counties based on the sharing ratios outlined in subdivisions (a) and (b) of Section 15200. Upon actual collection of any overpayments from providers or recipients, the county shall ensure that the total amount reimbursed to the state reflects the federal and state share of the overpayment costs, as specified. This subparagraph shall be operative on the first day of the first month following 90 days after enactment of the act that amends this section.

(3) Nothing in this section shall inhibit existing county authority to collect overpayments.

(4) Nothing in this section shall inhibit existing county responsibility to remit voluntary overpayments upon collection.

(d) (1) The department shall adopt regulations to implement this section by December 31, 2008. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department, in consultation and coordination with the County Welfare Directors Association, may adopt emergency regulations to implement this section.

(2) The adoption of emergency regulations pursuant to subdivision (a) shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. The emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and shall remain in effect for no more than 180 days, by which time final regulations shall be adopted.

(e) The department may only require counties to remit payment of the federal share for overpayments upon identification that occur on

or after the effective date of regulations adopted pursuant to this section.

**Section 15200 of the Welfare and Institutions Code is amended to read:**

15200. ~~There is hereby appropriated out of any money in the State Treasury not otherwise appropriated, and after deducting federal funds available, the following sums:~~

- ~~—(a) To each county for the support and maintenance of needy children, 95 percent of the sums specified in subdivision (a), and paragraphs (1) and (2) of subdivision (c), of Section 11450.~~
- ~~—(b) To each county for the support and maintenance of pregnant mothers, 95 percent of the sum specified in subdivisions (b) and (c) of Section 11450.~~
- ~~—(c) For the adequate care of each child pursuant to subdivision (d) of Section 11450, as follows:~~

(a) For the adequate care of each child pursuant to subdivision (d) of Section 11450, the state reimbursement will be as follows:

(1) (A) For any county that meets the performance standards or outcome measures in Section 11215, an amount equal to 40 percent of sum necessary for the adequate care of each child the nonfederal share of cost.

(B) Notwithstanding subparagraph (A), any county that meets the performance standards or outcome measures in Section 11215, an amount equal to 25 percent of the nonfederal share of cost. This subparagraph shall be operative on the first day of the first month following 90 days after enactment of the act that amends this section.

(2) For any county that does not meet the performance standards or outcome measures in Section 11215, an amount which shall not be less than 67.5 percent of one hundred twenty dollars (\$120), and multiplied by the number of children receiving foster care in the county, added to an additional twelve dollars and fifty cents (\$12.50) a month per eligible child.

(3) The department shall determine the percentage of state

reimbursement for those counties that fail to meet the requirements of subparagraph (1) according to the regulations required by subdivision (b) of Section 11215.

~~(d)~~ (b) Notwithstanding subdivision ~~(e)~~ (a), the amount of funds appropriated from the General Fund in the annual Budget Act that equates to the amount claimed under the Emergency Assistance Program that has been included in the state's Temporary Assistance for Needy Families block grant for foster care maintenance payments shall be considered federal funds for the purposes of calculating the county share of cost, provided the expenditure of these funds contributes to the state meeting its federal maintenance of effort requirements.

~~(e)~~ (c) (1) To each county for the support and care of hard-to-place adoptive children, 75 percent of the nonfederal share of the amount specified in Section 16121.

(2) Notwithstanding paragraph (1), for the 2010-11 fiscal year and each fiscal year thereafter, to each county for the support and care of hard-to-place adoptive children, 41 percent of the nonfederal share of the amount specified in Section 16121.

~~(f) To each county for the support and care of former dependent children who have been made wards of related guardians, an amount equal to 50 percent of the Kin-GAP payment under Article 4.5 (commencing with Section 11360) of Chapter 2 minus the federal TANF block grant contribution specified in Section 11364. This subdivision shall become inoperative on July 1, 2006.~~

~~(g) The State Department of Social Services shall not implement any change in the current funding ratios to counties as a reimbursement for out of home care placement until the development of a new performance standard system. The State Department of Social Services shall notify the Department of Finance when the new performance standard system is developed and ready for implementation. The Department of Finance, pursuant to the provisions of Section 28 of the Budget Act, shall notify the Joint Legislative~~

~~Budget Committee in writing of its intent to implement a new performance standard that would impact the counties' funding allocation. The notification shall include the text of the draft regulations to implement the performance standards. Any adjustment in the county funding allocation shall not be implemented sooner than 60 days after receipt and review of the new performance standard by the Joint Legislative Budget Committee and a review of the proposed changes by the Legislative Analyst.~~

(h) (d) Federal funds received under Title XX of the federal Social Security Act (42 U.S.C. Sec. 1397 et seq.) and appropriated by the Legislature for the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program shall be considered part of the state share of cost and not part of the federal expenditures for purposes of subdivision (e)(a).

**Section 16525.10 of the Welfare and Institutions Code is amended to read:**

16525.10. (a) In order to promote the development of placements that will allow children to move into more homelike environments, the department shall establish "Options for Recovery" as a permanent program. This program shall be available to any county that requests participation pursuant to procedures established by the department to the extent funds are made available through the Budget Act.

(b) (1) Notwithstanding any other provision of law, the "Options for Recovery" services shall be funded with a 30-percent nonfederal county share consistent with the normal sharing ratio for child welfare services. This county share may be provided with county general funds, or other sources of funds which are unrestricted and are eligible for this use as provided by the funding source. The source of the county share shall meet all applicable state and federal requirements and provide counties with maximum flexibility.

(2) Notwithstanding paragraph (1) and any other provision of law, "Options for Recovery" services shall be funded with a 70 percent nonfederal county share consistent with the normal sharing ratio for child welfare services. This county share may be provided with county general funds, or other sources of funds which are unrestricted and are eligible for this use as provided by the funding source. The source of the county share shall meet all applicable state and federal requirements and provide counties with maximum flexibility. This paragraph shall be operative on the first day of the first month following 90 days after enactment of the act that amends this section.