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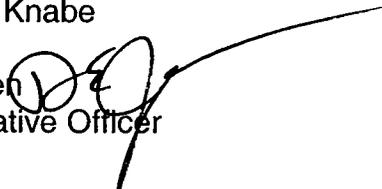
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Third District

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Fifth District

May 10, 2006

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: David E. Janssen 
Chief Administrative Officer

SACRAMENTO UPDATE

Budget Subcommittee Actions

Trauma Care. On May 2006, the Assembly Budget Subcommittee No. 1 discussed a \$15 million trauma center funding proposal by the Save California Trauma Centers (SCTC) Coalition of which the County is a member. A representative from the SCTC, thanked the Assembly for the \$10 million for trauma centers in FY 2005-06, and for their support in prior years' funding. He indicated that this funding is critical to maintaining California's trauma centers network and that there are gaps in the number of trauma centers statewide, which demonstrates the need for a Statewide Trauma System. Our Sacramento advocates testified in support of the funding, and indicated that current year funding was used to maintain physician on-call panels in all trauma centers located in Los Angeles County. The Speaker's office has asked the Coalition to explore a mechanism to find a Medi-Cal match for the State dollars. The Subcommittee is expected to take action on May 15, 2006.

The Department of Finance objected to the proposal on fiscal grounds. The Legislative Analyst's Office (LAO) is concerned about the State's fiscal condition in future years, and whether the appropriation is one-time only, or a continuing cost to the State's General Fund. Assembly Member Roger Niello (R-Sacramento) wanted to know if trauma centers were "state-mandated or creatures of local jurisdictions." SCTC representatives responded that there is no statewide system of trauma care, and the trauma centers are decided by local jurisdictions.

Medi-Cal Administration. On May 8, 2006, the Senate Budget Subcommittee #3 rejected the Governor's FY 2006-07 Budget proposal and accompanying trailer bill language to freeze Medi-Cal county administration costs and hold counties financially responsible for any Federal penalties or disallowance that result from the failure of the counties to comply with requirements. The committee action restored \$42.2 million (\$21.2 million General Fund) and adopted placeholder trailer bill language to appropriately fund the counties for their work by a vote of 2 to 1. The Assembly Budget Subcommittee #1 conformed to the Senate Action by a vote of 4 to 0.

The California Welfare Director's Association testified in both Committee hearings to request denial of the Administration's proposal and adoption of placeholder trailer bill language to fund the actual costs to counties to administer Medi-Cal eligibility operations beginning in FY 2007-08. The LAO also recommended that the legislature reject the Administration's entire budget proposal, including the trailer bill language.

Pursuit of Position on State Budget Item

Proposition 36 Funding. On May 10, 2006, the Assembly Budget Subcommittee No. 1 on Health and Human Services will reconsider local assistance funding for Proposition 36, the Substance Abuse and Crime Prevention Act of 2000. On April 19, 2006, the Subcommittee recommended funding of \$141 million for counties.

Although the \$120 million annual funding required by Proposition 36 sunsets on June 30, 2006, the sentencing guidelines established by the measure remain. A recent study by UCLA reported overall savings of \$2.50 for every dollar invested in Proposition 36, largely due to reductions in jail and prison time. The Governor's Budget for FY 2006-07 proposes to continue the \$120 million funding for the program; however, this level of funding would not address caseload growth or inflation. The County Alcohol and Drug Program Administrators Association of California estimates the full statewide costs of providing Proposition 36 services at \$209 million. Consistent with existing County policy to support adequate State funding for Proposition 36 and ensure funding allocations meet caseload growth, **our Sacramento advocates will support an appropriation of \$209 million for Proposition 36.**

Pursuit of County Position on Legislation

SB 1570 (Alquist and Ashburn), as amended on March 27, 2006, would require the State Interagency Team for Children and Youth to develop a plan to transform California's group home system for foster youth and children with serious emotional disorders (SED) into a residentially based services system designed to provide intensive, short-term interventions to expedite placement in a permanent family setting. According to the Senate Human Services Committee analysis of SB 1570, there are approximately 12,000 children and foster youth in group homes at an estimated cost of

\$782 million for Fiscal Year 2006-07. Currently, group homes are the placement of last resort for thousands of severely troubled children and foster youth, and are not designed to achieve specific outcomes. As noted by the sponsors of SB 1570, "the current AFDC-Foster Care program neither authorizes nor funds group homes to provide services that may be needed by families to achieve reunification, or, when reunification is not possible, to prepare/support relatives or another family willing to provide a permanent home. As a result, many foster youth remain in group homes longer than would otherwise be necessary, or they are discharged to another foster care setting without achieving a stable and permanent family living situation."

SB 1570 would require the State to develop a plan to reform the current group home system with input from public and private stakeholders including: the California Department of Social Services, Mental Health, Education, Alcohol and Drug Programs, and Corrections and Rehabilitation; county child welfare, mental health, probation, and drug and alcohol programs; current and former foster youth, parents of foster children and children with serious emotional disorders, group home operators and child advocates. The plan, which must be submitted to the State Legislature by July 1, 2008, would provide for comprehensive assessments, clear and objective placement criteria, and the involvement of youth and families in developing plans of care to best meet the needs of foster youth and SED children in residential placement. The plan must also include the development of a new methodology for funding through the AFDC-Foster Care program to provide residential care services.

SB 1570 assumes that savings resulting from reducing the average length of stay in foster care and re-entries into foster care would be used to pay private nonprofit agencies to provide residential services and would also pay for pre-discharge family planning, post-discharge services and County costs for implementing the assessment and placement procedures. The bill would also allow counties and private, nonprofit agencies to develop and test alternative program designs and funding models for residentially based services, with the approval of the California Department of Social Services.

The Department of Family and Children Services recommends a support position on SB 1570 because the bill would change the function of group homes from a placement of last resort to one that would provide short-term interventions designed to return foster youth and SED children to their own homes or to permanent placement in stable family settings as soon as practically possible, and we concur. Consistent with existing Board policy to support proposals which allow flexibility in the use of funds to provide services to families and caregivers to strengthen their parenting skills and prevent the need for placement and shorten the length of stay, and improve outcomes for children and youth, **our Sacramento advocates will support SB 1570.**

SB 1570 is sponsored by the California Alliance of Child and Family Services and supported by the County Welfare Directors Association, Leroy Haynes Center,

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Hathaway-Sycamores Child and Family Services, the California Permanency for Youth Project, Rebekah Children's Services, Vista Del Mar, Optimist Youth Home and Family Services, Sunny Hill Services, Five Acres, Advent Group Ministries, and Sacramento Children's Home. There is no registered opposition. SB 1570 was placed in the Senate Appropriations Committee Suspense File on April 24, 2006.

Status of County-Interest Legislation

Following a lengthy hearing on Wednesday, May 10, 2006, **County-supported AB 1056 (Chu)**, which would create the Tolerance Education Pilot Program to be administered by the California Department of Education, was placed on the Senate Education Committee's Suspense File. AB 1056 would provide ten one-time grants to participating schools to fund the development of educational programs that promote tolerance and intergroup relations. The Senate Education Committee plans to take up its Suspense File in the last week of June.

We will continue to keep you advised.

DEJ:GK
MAL:JF:IGR:cc

c: All Department Heads
Legislative Strategist
Local 660
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants