



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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May 10, 2018

To: Supervisor Sheila Kuehl, Chair  
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Supervisor Kathryn Barger

From: Sachi A. Hamai  
Chief Executive Officer

## REPORT ON COSTS ASSOCIATED WITH HOMELESS CHILDREN AND FAMILIES (ITEM NO. 27-A, AGENDA OF MAY 24, 2016)

This is in response to a motion approved by the Board on May 24, 2016 (Attachment I), which directs the Chief Executive Office (CEO) to work with Los Angeles County departments and the Los Angeles Homeless Services Authority (LAHSA) to prepare a report examining costs associated with homeless children. The CEO's Research and Evaluation Services unit (RES) assumed lead responsibility for this report (Attachment II) and produced a series of estimates suggesting that seven County departments - Children and Family Services (DCFS), Health Services (DHS), Mental Health (DMH), Public Health (DPH), Public Social Services (DPSS), Probation, and the Sheriff (LASD), spent \$453.7 million in FY 2015-16 on 75,707 family members (children/youth and adult parents and guardians) who experienced varying periods of homelessness over the same 12-month period. County spending on the minors in this population (\$337.6 million on 34,002 minors) accounts for roughly three-quarters of the overall 12-month estimate.

The CEO's report serves as a companion piece to a previous examination of services provided to homeless single adults in FY 2014-15. RES subsequently replicated the approach guiding the FY 2014-15 single adult report for FY 2015-16. When the estimates for the two populations over the same 12-month period are combined, the result suggests that County expenditures in FY 2015-16 on services, benefits and care provided to the full known homeless population ( $n=223,000$  family members and single adults) sum to \$1.43 billion. This combined estimate underscores the critical importance of mainstream services systems to those who experience homelessness within the course of a given 12-month period.

### **Building a Study Population for the Analysis of Children and Families**

DPSS and DCFS are currently the two County departments that make systematic efforts to record homelessness among the families and children in their respective client populations. To construct a study population for the report on costs associated with homeless children and families, the CEO merged client-level data from these two County sources with records in the Homeless Management Information System (HMIS) of homeless family members receiving services rendered through providers affiliated with Housing and Urban Development's Coordinated Entry System for the Greater Los Angeles Continuum of Care (HUD/CES/GLA CoC).

- The merger and assimilation of the three homeless client data sources (DPSS/CalWORKs, DCFS placement records and HMIS) yielded a de-duplicated study population of 75,707 individuals, encompassing 34,002 families consisting of 48,748 children and 26,959 adults. This population is the basis for the FY 2015-16 cost estimates presented in the CEO's report.

### **DPSS Dominates the Expenditures Shown in the CEO Report**

One of the defining characteristics of the overall 12-month utilization and spending patterns revealed in the CEO report is their highly-skewed distribution at the departmental level:

- Roughly 76 cents of every dollar in the 12-month estimate for all seven departments included in the report (\$344.2 million of 453.7 million) reflects DPSS expenditures, which funded the provision of CalWORKs benefits (cash assistance), CalFresh benefits (food stamps), and programs specifically targeted to homeless and at-risk families.
  - Close to three quarters of DPSS' FY 2015-16 costs associated with the study population (\$254.9 million) funded services and benefits provided to children and youth.

### **Estimated Justice, Foster Placement, and Health-Related Expenditures**

- Justice costs shown in the attached report amount to roughly \$13 million over 12 months.
  - Probation accounts for 92.3 percent of the justice estimate (approximately \$12 million spent on 749 family members), almost all of which (\$11.6 million) funded services provided to probation youth.
  - LASD spent just over \$1 million in FY 2015-16 custody costs associated with 588 adult family members in the study population.

- DCFS spent \$48 million in foster placements involving 536 children and youth in the FY 2015-16 study population.
- Health costs presented in the report total \$48.5 million across the County's three health departments:
  - DMH accounts for 69.5 percent of the estimated 12-month health expenditure. These dollars funded inpatient, outpatient, and crisis stabilization services provided to the study population (\$33.7 million).
  - DHS expenditures on inpatient, outpatient, and emergency services comprise 21.4 percent of the health estimate (\$10.4 million).
  - DPH costs attached to services delivered through the Substance Abuse Prevention and Control (SAPC) and Community Health Services programs comprise 9.1 percent of the study population's estimated total health costs over 12 months (\$4.4 million).
  - Services provided to children account for 57.5 percent of the total health spending on the study population (\$27.9 million). Looking more specifically at DMH, however, the department's expenditures on patients under the age of 18 (\$23 million) comprise more than two-thirds of the total DMH estimate for the year and 82.4 percent of the estimated total health spending on children.

### Costs Per Capita

The \$453.7 million in estimated County expenditures on the study population in FY 2015-16 averages to \$5,993 per person and \$13,343 per family over FY 2015-16. Expenditure *per capita* on the children and minors in the study population (\$337.6 million spent on 48,748 minors) averages to \$6,925 per child:

- DPSS averaged \$5,592 per study population client ( $n=61,555$  clients overall), \$6,413 per child/minor ( $n=39,749$  clients under the age of 18), and \$12,231 per family ( $n=28,141$  families) over 12 months.
- FY 2015-16 costs attached to services provided to the study population through County health systems averaged to \$7,217 per person ( $n=6,211$  patients), \$7,396 per minor ( $n=3,550$  patients under the age of 18), and \$9,332 per family ( $n=5,194$  families).
  - DMH costs *per capita* over 12 months were \$8,007 per patient ( $n=4,213$  patients), \$10,113 per minor ( $n=2,279$  patients under the age of 18), and \$9,538 per family ( $n=3,557$  families).

- DHS' 12-month costs average to \$4,474 per patient ( $n=2,317$  patients), \$3,120 per minor ( $n=1,160$  patients under the age of 18), and \$5,032 per family ( $n=2,060$  families).
- DPH's estimated FY 2015-16 costs average to \$4,002 per patient ( $n=1,092$  patients), and \$2,174 per minor ( $n=572$  patients under the age of 18). A DPH cost per family calculation is not possible due to the limitations of direct services data available through the department's SAPC program.

### **Highly-Concentrated Costs Observed for DCFS and Juvenile Probation**

- The CEO report estimates that DCFS spent \$48 million on foster placements and Child Social Worker (CSW) services involving 536 child and youth clients in the study population over FY 2015-16.
- Juvenile Probation is estimated to have spent \$11.6 million on 329 probation youth identified in the study population.

When the overlaps between these two small subsets are factored into calculations, the combined cost across the two departments (\$59.6 million) funded services provided to less than 2 percent of those in the study population who were under the age of 18, yet these expenditures constitute 17.7 percent of the CEO's 12-month estimate for all minors included in the report's analysis. The costs *per capita* that follow from this are consequently on a different order of magnitude than average costs shown for the other five departments examined in the CEO report:

- DCFS' study population costs average to \$89,576 per minor and \$102,592 per family ( $n=468$  families).
- Juvenile Probation's 12-month costs average to \$35,273 per minor and \$45,870 per family ( $n=253$  families).

### **Net County Cost and Revenue**

The CEO report estimates that \$26.1 million of the \$453.7 million in expenditures on the study population (5.8 percent) in FY 2015-16 were Net County Cost (NCC). However, while DPSS expenditures comprise approximately three-quarters of the costs shown in the report, effectively 100 percent of the department's spending on the study population was net revenue from State and federal funding sources. Moreover, maintenance of effort funding complexities prevented RES from producing a NCC estimate for DHS.

- Since the CEO's total County estimate for FY 2015-16 includes no DPSS or DHS NCC, removal of the two departments' expenditures from the overall 12-month cost denominator shows that \$26.1 million in estimated NCC presented in the report



comprises 26.3 percent of the \$99.1 million in combined spending across the five remaining departments (DCFS, DMH, DPH, Probation and LASD):

- Close to one-third of DCFS' FY 2015-16 study population costs (\$14.9 million of \$48 million) are estimated to be NCC.
- Almost 64 percent of the Probation costs shown in the CEO report are estimated to be NCC (\$7.7 million of \$12 million).
- DPH's 12-month spending on the study population is estimated to be 55.8 percent NCC (\$2.4 million of \$4.4 million).
- Roughly half of the LASD expenditures examined in the report are categorized as NCC (\$501,988 of \$1.0 million).
- Slightly less than 2 percent of the DMH costs shown in the report are estimated to be NCC (\$654,472 of \$33.7 million).

### **Distinct Spending and Utilization Patterns by Comparison with Single Adults**

DPSS is a critical life support system for both general segments of the County's homeless population, single adults, and families. However, while cash benefits, Food Stamps (CalFresh), and homeless-related services account for roughly 76 percent of the total 12-month expenditure on the children and families examined in the attached report, costs associated with these benefits and services comprise only about one-quarter of County spending on homeless single adults over the same period.

- By extension, General Relief benefits for single adults are 100 percent NCC as a result of an unfunded indigent aid mandate imposed by the State on its counties, whereas CalWORKs benefits for families are 100 percent revenue.
- Largely as a result of this difference, RES estimates that almost 30 percent of overall County spending on homeless single adults in FY 2015-16 was NCC versus 5.9 percent of County expenditures on homeless children and families estimated to be NCC (with DHS removed from the cost denominators at the basis of both calculations).

### ***Comparative Health Services Utilization and Spending Patterns***

Given the comparatively high unit costs associated with the provision of health-related services, one of the most significant patterns revealed in the CEO report is that more than 90 percent of the study population did not use any *County* health services over 12 months of observation. By extension, for more than 9 out of every 10 family members in the DPSS portion of the study population, DPSS is the only County department with which they had any known encounters in FY 2015-16.

- Just fewer than 9 percent of the population of homeless families and children examined in the attached report touched at least one of the three departments over the course of FY 2015-16 and they accounted for 10.7 percent of the overall estimate for this study population.
- By contrast, 55 percent of the homeless single adult population RES analyzed with respect to FY 2015-16 costs, used services through at least one of the three County health departments, and accounted for 62.3 percent of the overall cost estimate for this population in FY 2015-16.

The differences in utilization of County health and medical services across the two homeless populations point to the question of high-cost, inefficient homeless service use and spending, which is well-known among researchers who focus on homelessness but which also appears to be *specific to homeless single adults*. While research conducted by RES shows that a small slice of high-acuity homeless single adults in a given year will typically account for a heavily disproportionate share of the County's total spending on this population, there is no similar phenomenon observed among families and children.

#### *How Exhaustive is the Health Estimate for Family Members? Explaining the Differences*

Two factors, which are not mutually exclusive, offer the most likely explanations for the less pervasive health services use among the children and families examined in the CEO report.

- *The distinct demographics of the two groups:* The family member population is, in the aggregate, younger, homeless for shorter periods of time, and therefore, generally less likely to have serious chronic physical and mental health ailments often associated with lengthy periods of homelessness, which in turn mean less frequent use of specialty mental health and substance use services.
- *Families and Non-County Medi-Cal Managed Care Health Providers:* More than four-fifths of the family study population was in CalWORKs-aided households during FY 2015-16, which in almost all cases means the bulk of their health services costs are covered under Medi-Cal. Although Medi-Cal eligibility services are provided by the County through DPSS, recipients of these services are not required to address their health needs through County providers (i.e., those affiliated with DHS, DMH or DPH).
  - Homeless single adults are generally enrolled with DHS as their Medi-Cal managed care provider more frequently than is the case among CalWORKs families. Health-related services provided outside the County's healthcare system during the 12-month observation period are excluded from our estimates, not only because they are not County gross costs, but more basically because these services are not recorded in the data available to the CEO in producing a health estimate.

The \$48.5 million County health spending estimate for the children and families examined in this report *by no means exhausts the study population's use of health and medical services, but is rather limited to services and treatment provided through the County's healthcare systems.* All healthcare services provided outside the County's healthcare during the 12-month observation period are excluded from our estimates because they are not County gross costs and, as such, are not recorded in the services records available to RES in producing a health estimate.

#### *Other Key Comparative Differences*

- Less than 2 percent of the homeless families and children examined in the CEO cost report were involved with Probation and/or LASD, and the costs associated with this involvement constitute 2.9 percent of the spending shown in the report.
- By comparison, more than one-quarter of the homeless single adult population had encounters with LASD in FY 2015-16, and justice-related costs attached to these adults over 12 months of observation comprise 12.7 percent of RES' total estimate for FY 2015-16.

#### **Recommendations**

The May 24, 2016 motion to which the attached report is responsive, includes directions to *develop a plan* – informed by our cost analysis – *that focuses on providing ongoing resources to house homeless children in Los Angeles County.* The concluding chapter of the attached report, therefore, examines how the service utilization and spending patterns observed in the CEO's analysis can be leveraged to inform and support the County's Homeless Initiative (HI) Strategies to combat child and family homelessness. The following nine recommendations are offered and discussed:

- Consider directing RES to examine the operational implications of the comparatively distinct patterns of service use observed among children and families. Specifically, what do these patterns suggest in terms of the types of interventions that are most appropriate for the family member segment of the County's overall homeless population?
- Direct County departments and homeless policy stakeholders to generally place more emphasis on prevention than on cost effectiveness and efficiency in the provision of services to at-risk and homeless families and children.
- Consider instructing DPSS to conduct research exploring the degree to which homeless single adults experience episodes of homelessness as children/minors.
- Explore the availability of resources that would enable the CEO to leverage existing academic partnerships for the purpose of deploying predictive modeling to address

the relationship between child homelessness and involvement in the County's Foster Care System.

- Assess the degree to which contracted mental health providers can play a supportive role in HI strategies relevant to children, youth, and families who are homeless or are at risk of becoming homeless.
- Consider instructing DPSS, DCFS, Probation's Juvenile Division, and RES, to leverage an existing agreement between the CEO and the Children's Data Network at USC to enhance information available to County policymakers on health-related service rendered through non-County providers to homeless children known to the County.
- Assess the processes through which DCFS and Probation's Juvenile Division record homeless children and youth in their data systems.
- Assess the feasibility and potential enhancements to the CEO's homeless data infrastructure that could result from the execution of an information sharing agreement with the Los Angeles County Office of Education (LACOE).
- Assess potential enhancements to the CEO's homeless data infrastructure that could result from the execution of an information sharing agreement between the CEO and the newly-established Office of Youth Diversion and Development within DHS' Office of Diversion and Re-Entry.

If you have any questions, please let me know, or your office may contact Max Stevens of the Office of the CIO at (213) 253-5630 or via e-mail ([MStevens@ceo.lacounty.gov](mailto:MStevens@ceo.lacounty.gov)).

SAH:JJ:FD  
WK:PL:MS:pa

Attachments

c:     Executive Office, Board of Supervisors  
         County Counsel  
         Sheriff  
         Children and Family Services  
         Health Agency  
         Office of Education  
         Probation  
         Public Social Services  
         Los Angeles County Housing Authority  
         Los Angeles Homeless Services Authority

AGN NO. \_\_\_\_

MAY 24, 2016

**MOTION BY CHAIR HILDA L. SOLIS AND SUPERVISOR SHEILA KUEHL  
EXAMINATION OF THE ECONOMIC COSTS OF CHILD HOMELESSNESS**

The economic cost of homeless adults has been well documented in Los Angeles by multiple studies, including in the most recent Los Angeles County (the County) Homeless Initiative report. However, there has not been any extensive research outlining the County costs that are incurred from the number of homeless children living on the streets and in homeless shelters.

Overall, the number of CalWORKs families has increased by 5% since 2006, while the number of Homeless CalWORKs families has tripled to over 16,000 during that same period. The Economic Roundtable report titled *Antecedents of Chronic Homelessness* found that 49% of all homeless public assistance recipients in the County are children.

Moreover, according to various studies there are strong correlations between homelessness, foster care and incarceration rates. In fact, 62% of children placed in foster care were formerly homeless. And, according to State Attorney General Kamala Harris, 80% of prison inmates in California were once involved in the foster care system.

It is generally acknowledged that the cost of foster care is over \$50,000 per child per year and the cost of prison is over \$70,000 per person per year. Robust research from

- MORE -

MOTION

RIDLEY-THOMAS \_\_\_\_\_

KUEHL \_\_\_\_\_

KNABE \_\_\_\_\_

ANTONOVICH \_\_\_\_\_

SOLIS \_\_\_\_\_

## Attachment I

the State of Virginia concludes that the public cost of not housing homeless families with children is over \$50,000 per year per family. Meanwhile, both Los Angeles Homeless Services Authority and County's Community Development Commission report that the onetime cost of using Rapid Re-Housing to permanently house homeless families with children is less than \$12,000.

The County has embarked on numerous efforts to reduce homelessness among children including the development of the Homeless Families Solutions System, the Frist 5 Permanent Supportive Housing program, the Families Coming Home pilot, and the youth coordinated entry system pilot. More than 1,500 homeless families were aided by these efforts.

The County's efforts to solve homelessness could be greatly aided by more robust data documenting the true economic cost of child homelessness.

**WE, THEREFORE MOVE, THAT THE BOARD OF SUPERVISORS** direct the CEO's office to work with the Department of Public Social Services, the Department of Children and Family Services, the Health Agency, the Los Angeles Homeless Services Authority, Sheriff's and Probation Departments to examine the economic costs of homeless children in the County and develop a plan within 60 days that focuses on providing resources on an ongoing basis to house homeless children in the County..

# # # #

HLS: ss/jyp



Attachment II

**Los Angeles County Costs Associated with Homeless Children and Families:**  
**Service Use and Spending Patterns over One Fiscal Year**

Chief Executive Office  
Office of the Chief Information Officer  
Research and Evaluation Services unit

Written in Response to a May 24, 2016 Board Motion and  
Funded by the Department of Public Social Services

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April 2018

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## Executive Summary

*Analysis and Estimates Prepared in Response to a May 2016 Board Motion.* This report presents a series of estimates suggesting that seven core Los Angeles County agencies spent a combined total of \$453.7 million during the County's 2015-16 Fiscal Year on 34,000 families known to have experienced varied periods of homelessness during the same 12-month period.<sup>1</sup> These families are comprised of 48,748 children and 26,959 adult parents and guardians. The County agencies included in the estimates reported here are the departments of Children and Family Services (DCFS), Health Services (DHS), Mental Health (DMH), Public Health (DPH), Public Social Services (DPSS), Probation, and the Sheriff. When the total estimated spending of the seven agencies on these families is parsed by the component population sizes, the average 12-month expenditures *per capita* are \$5,993 per family member, \$6,925 per child, and \$13,343 per family. One of the defining characteristics of the combined overall 12-month cost across these agencies, however, is their highly-skewed distribution. Roughly 76 cents of every dollar in the 12-month estimate (\$344.2 Million) represents spending by DPSS. The remaining 24 cents on every dollar of expenditure are spread across the other six agencies.

The estimates presented in this report are inclusive of *direct services costs* (i.e. expenditures on services provided on an individualized basis), *programmatic spending* (i.e. program costs captured only at an aggregate level), and *administrative expenditures* (i.e. departmental overhead and basic operating costs). Among the six out of seven agencies for which it was possible to parse 12-month expenditures on the study population by the portions estimated to be Net County Costs (NCC, meaning funds drawn down from the County's General Fund) and the portions estimated to be revenue-driven spending, roughly \$26.1 Million of their combined total \$443.3 million in spending on the study population 5.9%) was NCC.

At the same time, since DPSS at once dominates the overall spending shown in this report and uses little to no NCC in doing so, it should be noted that the \$26.1 Million in NCC spent on the study population across the five remaining agencies comprises roughly 26.3% of the \$99.1 million they collectively spent on the study population over 12 months.

This report is responsive to a motion the Board of Supervisors approved on May 24, 2016 (the motion is provided in Appendix A) directing the Chief Executive Office (CEO) to 'examine the economic costs of homeless children in the County and develop a plan that focuses on providing resources on an ongoing basis to house homeless children in the County.' The CEO's Research and Evaluation Services unit (RES) assumed lead responsibility for the analyses, working closely in the process with DPSS, which financed the report, as well as DCFS, Probation and the Los Angeles Homeless Services Authority (LAHSA).

### The Study Population for this Report

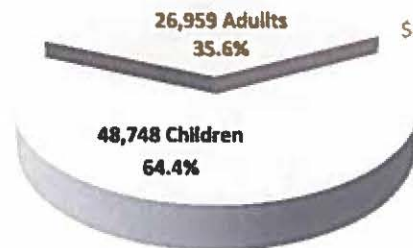
**N=75,707 Family Members who Experienced Periods of Homelessness in FY 2015-16**

Estimated Total County Expenditure over 12 Months

**\$453.7 Million**

**\$5,933 per family member**

Estimated Total Expenditure:  
**\$116.1M,**  
**\$4,306 per adult**



**34,002 Families**  
Estimated Total Expenditure:  
**\$453.7M**  
**\$13,343 per family**

Estimated Total Expenditure:  
**337.6M**  
**\$6,925 per child**

<sup>1</sup> The precise estimate for the seven agencies combined is \$453,690,634.



## Executive Summary

*A Companion Piece to the CEO's Analysis of Homeless Single Adults.* One of the objectives guiding the preparation of this report was to orient the information as a companion piece to a previous CEO study examining County expenditures on homeless single adults. The two reports taken together can be approached as a single narrative demonstrating that the seven departments included in the CEO's two reports served 223,000 persons known to either be in the midst of a spell of homelessness or to have experienced such a spell within a given 12-month period. *Expenditures on this population underscore the indispensability of mainstream service delivery systems to these men, women, children and families.* In drawing attention to the stark fiscal and humanitarian implications of homelessness as a social problem, the two reports are intended to provide stakeholders with information needed to help guide them in continuing to work collaboratively to make effective and enduring interventions in Los Angeles County's homeless crisis.

**Total County Spending on Clients Known to be Homeless in FY 2015-16.** As shown in the table and figure below, when the spending on children and families examined in this report is combined with the CEO's analysis of County expenditures on homeless single adults over the same 12-month period, the result suggests the County spent **\$1.43 Billion** on its full known homeless population (children, adult family members and single adults) over a period of 12 months. Almost one-third of the combined 12-month expenditure on the two populations is estimated to be spending on families and children.

**Estimated Expenditures on the Full Homeless Population Known To Los Angeles County in FY 2015-16\***

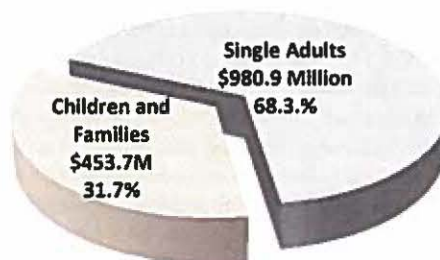
Single Adults				Families and Children						Full Population			
Costs			Costs			Costs			Costs				
#		Per	#	Per		#	Per		#		Per		
Persons	\$*	Person	Persons	\$	Person	Minors	\$	Minor	Families	Family+	Persons	\$	Per
147,323	\$980.9M	\$6,658	75,707	453.7	\$5,933	48,748	337.6	\$6,925	34,002	\$13,343	223,030	\$1.43B	\$6,432
NCC			NCC			NCC			NCC				
211.1M^			\$26.1M^			\$24.7M^			26.1M^			\$237.2M^	
%			5.9			7.4			5.9			20.4	

\* RES conducted an initial analysis of County costs attached to homeless single adults over FY 2014-15, which showed combined spending across six County departments totaling to approximately \$965 million. The results of RES's analyses were summarized in a report included as a supporting document with the February 2016 submission to the Board of Supervisors of the Homeless Initiative's coordinated countywide strategies to combat the homeless initiative. For purposes of uniformity with respect to a number of projects based on FY 2015-16, RES replicated the FY 2014-15 single adult analysis for FY 2015-16, producing a combined estimate across the same six departments totaling to roughly \$981 million, as shown in this table and throughout this report. The population sizes for the FY 2014-15 (n=148,815 single adults) and FY 2015-16 (n=147,323 single adults) are statistically the same. The 1.7% increase in total cost in FY 2015-16 (a difference of roughly \$16 million) primarily reflects annual increases in service unit costs.

+The family-level calculations in this report apply are based on the estimate for the entire population, i.e. \$453.7M

^NCC Calculations do not include DHS costs. The cost denominators for the NCC calculations in this table are \$707.1 million for single adults, \$443.3 million for family members, \$334 million for children, \$443.3 million for families, and 1.16 Billion for the full population.

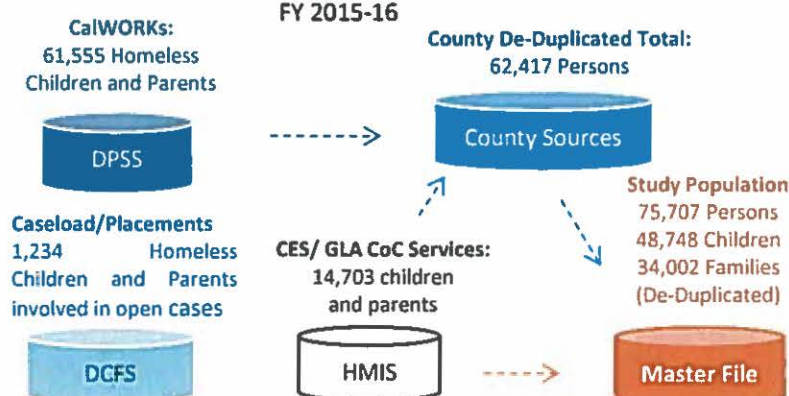
### Estimated FY 2015-16 Los Angeles County Spending Homeless Children, Families and Single Adults Total Expenditure \$1.43 Billion 223,000 Homeless Family Members and Single Adults



## Executive Summary

### A Study Population Built from Three Data Sources. Assembling a Study Population of Homeless Children and Families, FY 2015-16

RES used County data sources and service records from the Homeless Management Information System (HMIS) to build a study population consisting of 75,707 children/minors, parents and guardians encompassing 34,002 families to inform the cost estimates presented in this report.



DPSS and DCFS are currently the two County agencies that make systematic efforts to record homelessness among the families and children in their respective client populations. The County homeless client source data used to build the study population were therefore extracted from (a) *DPSS records of homeless families and children receiving benefits through the California Work Opportunity and Responsibility to Kids (CalWORKs) program* (61,555 children and adult family members in 28,141 families/households that experienced periods of homelessness at some point during FY 2015-16; (b) *DCFS caseload records of child-protective cases and placements involving 1,234 children and adult family members in 468 families that experienced periods of homelessness in FY 2015-6.*

Study Population Demographics				
FY 2015-16 Study Population				
	#	%	#	%
Gender	Persons	N=75,707	Children	n=48,748
Male	29,303	36.9	24,572	50.4
Female	46,404	63.1	24,176	49.6
Race/Ethnicity	Persons	%	Children	%
African-American	35,116	46.4	22,475	46.1
Latino	25,982	34.3	18,378	37.7
White	6,451	8.5	3,796	7.8
Other	8,158	10.8	4,099	8.4
Age	Over Age 18		Under Age 18	
Median	30.6		7.2	

Family members receiving homeless services recorded in HMIS and rendered through providers affiliated with the Department of Housing and Urban Development's Coordinated Entry System for the Greater Los Angeles Continuum of Care (HUD/CES/GLA CoC) were also assimilated into the study population. Slightly less than one-fifth of those included in this population were extracted from HMIS.<sup>2</sup> These children and adults were linked in the data with 5,766 families.

<sup>2</sup> County agencies lending clients to the study population - DPSS and DCFS - use essentially the same proxy method of identification, one in which a client or family is coded as homeless in departmental data in a given month if the residential address they choose to use in their service records is a departmental office. Use of a departmental office as a residential address typically occurs if a client answers affirmatively when departmental line staff or other personnel ask them if they are homeless. Those extracted from HMIS for this report are, by contrast, identified in the data system as homeless at a given point in time based on a considerably more fully-elaborated and restrictive set of HUD criteria, which are used operationally to determine whether or not a given individual or family meets the conditions that would qualify them to access HUD-approved services. As a consequence of this internal divergence, cost estimates presented in this report do not reflect a fully standardized population from the standpoint of its internal composition.. Services used by persons identified as homeless in County data but who do not conform to the criteria non-County providers recorded in HMIS must apply to prospective clients are included in our estimates.



## Executive Summary

The clients pulled from County data sources (overwhelmingly from records of CalWORKs receipt in DPSS's LEADER Replacement System [LRS]) comprise close to 83% of the study population. The demographic composition of the study population is shown in the table above.

**Key Notes on Three Aspects of the May 2016 Motion and this Response.** Three aspects of the May 2016 motion are dealt with in this report in ways that necessitate upfront explication: (a) The motion's focus on *children*; (b) the instructions to include a plan to invest resources in housing homeless children; and (c) the motion's discussion of the relationship between involvement in the County's foster care system and the probability of experiencing periods of homelessness.

**The Inclusion of Families and Family Members in the Analyses.** The May 2016 motion specifically directs the CEO to examine the economic costs associated with serving *homeless children*. In September 2016, however, RES presented the research plan for this report to the Public Social Services (PSS) Commission and the consensus at that time was that the report's scope must encompass costs incurred in serving homeless children within a broader context of spending on *families experiencing homelessness over the course of a fiscal year*. Discussions with the commissioners focused on two factors:

- County service-related spending on homeless children is often difficult to disaggregate from spending on adult family members and families more generally without distorting one or both, especially with respect to program and administrative costs.
- A more restrictive focus exclusively on children would leave homeless parents and adult guardians unaddressed in County analyses of the fiscal significance of homelessness.

Study Population Costs: Clients Overall, Children and Families, by Agency, FY 2015-16

Agency	Clients	Costs: Overall			Costs: Minors			Costs: Families	
		Total	Per Person	Under 18+	Total	Per Person	Families	Total	Per Family
*DCFS	1,234	\$48.0M	n/a	536	\$48.0	\$89,576	468	48.0M	\$102,592
Health	6,716	\$48.5M	\$7,217	3,550	\$27.9M	\$7,396	5,194	\$48.5M	\$9,332.
DHS	2,317	\$10.4M	\$4,474	1,160	\$3.6M	\$3,120	2,060	\$10.4M	\$5,032
DMH	4,213	\$33.7M	\$8,007	2,279	\$23.0M	\$10,113	3,537	\$33.7M	\$9,537
DPH	1,092	\$4.3M	\$4,002	572	\$1.2M	\$2,174	514	\$4.3M	\$8,503
Justice	1,264	\$13.0M	\$10,290	329	\$11.6M	\$35,273	1,100	13.0 M	\$11,824
LASD	588	\$1.0M	\$1,721		All Offenders are > 18		563	\$1.0M	\$1,797
Probation	749	12.0M	\$16,014	329	\$11.6M	\$35,273	621	\$12.0M	\$19,315
Adult	420	\$389,340	\$927		All Offenders are > 18		368	\$389,340	\$1,058
Juvenile		All Offenders < 18		329	\$11.6M	\$35,273	253	\$11.6M	\$45,870
DPSS	61,555	344.2M	\$5,592	39,749	\$254.9M	\$6,413	28,141	\$344.2M	\$12,231
<b>Total</b>	<b>75,707</b>	<b>\$453.7M</b>	<b>\$5,933</b>	<b>48,748</b>	<b>337.6M</b>	<b>\$6,925</b>	<b>34,002</b>	<b>\$453.7</b>	<b>\$13,343</b>

\*The 1,234 clients overall shown for DCFS include 698 parents who are not technically clients but are included in the study population and matched against other departments in the analysis. This is why DCFS costs per unit are shown for children and families but not for family members overall.

+The DCFS row includes clients who are 18 years of age since passage and implementation of AB 12 allows foster youth to remain in the foster care system through the age of 18.

In expanding the focus to include children *and* families, the approach taken for this report positions the CEO to examine service use and spending patterns for children in comparative context, as is shown in the table above, and more generally positions the CEO to offer observations and recommendations applicable to the County's *homeless population overall*.

## Executive Summary

A Plan for Housing Homeless Children, The May 2016 Board Motion directs the CEO to ‘...develop a plan - informed by the cost analysis - that focuses on providing resources on an ongoing basis to house homeless children in Los Angeles County.’ It is useful in this context to recall that the motion was approved barely five months after the Board approved the Homeless Initiative’s (HI’s) comprehensive countywide strategies to combat homelessness, and ten months prior to the electorate’s approval of Measure H, which is expected to generate \$355 million in annual revenues, all of which will be used to infuse the HI strategies with indispensable resources. Any plan put forth to invest resources in housing homeless children must therefore take account of a countywide approach to the homeless crisis that is considerably further along at present in terms of implementation than was the case when the May 2016 motion was approved.

The HI strategies collectively constitute the type of plan that had previously been requested in the motion. In this respect, offering a plan that is *independent of and/or separate from* the County’s Homeless Initiative would risk undermining coordination and be counterproductive to the County’s capacity to deploy resources in a *concerted, sustained and focused* fashion. As such, the recommendations offered in the final chapter to this report examine how the information on service use and spending patterns shown in this report might be leveraged to inform and support optimization of the Measure H revenues invested specifically in the HI strategies relevant to children and families.

Involvement in the Foster Care System and Homelessness. The initial letter from the PSS Commission to the Board requesting a report on public costs associated with homeless children refers to research examining the relationship between child homelessness and subsequent involvement in the County’s foster care system, noting a finding published in the *Journal of Sociology and Social Work* (2003) that, ‘62% of children placed in Foster Care were formerly homeless’, as well as a finding published by the University of Pennsylvania (2004) that ‘40% of children who are homeless more than 90 days enter foster care versus only 10% who are homeless for less than 90 days.’<sup>3</sup> These research results are cited in the Commission’s letter to underscore the *cost savings* that could potentially be yielded if more homeless children and children at risk of homelessness did not need to enter the child protective system.

Over multiple appearances before the Commission after the May 2016 motion was approved, RES was asked to include an analysis in the present report that would similarly speak to potential savings with respect to homeless and at-risk children in Los Angeles County. The estimated FY 2015-16 DCFS costs shown in this report - \$48 Million spent on 536 homeless children and youth in various types of foster care placement \an average of almost \$90,000 per child/youth client over 12 months, - leave little doubt that significant savings could result if more children were diverted from the County’s child protective system.

In specifically examining the connection between homelessness and the foster care system for this report, however, RES’s results were inconclusive because the analysis requires the construction and careful examination of an additional comprehensive historical dataset, which in terms of scope, time and effort would amount to a separate project, the magnitude of which would be at least equivalent to the analyses performed for this report.

Chapter 4 of this report, on the DCFS children and youth in the FY 2015-16 study population, discusses the exploratory efforts RES made in this area of analysis. Additionally, the concluding chapter provides information on inquiries the CEO is currently making with respect to potential cost savings related to the use

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<sup>3</sup> Culhane, Jennifer F. *et al.* ‘Prevalence of Child Welfare Services Involvement Among Homeless and Low Income Mothers’, *Journal of Sociology and Social Welfare*. September, 2003, v. 30, Issue 3; Pak, Jung Min and Dennis P. Culhane, ‘Child Welfare Involvement Among Children in Homeless Families.’ University of Pennsylvania, October 1, 2004.



## Executive Summary

of data-driven predictive methodologies to combat and prevent homelessness, including child and family homelessness, which in turn would have implications for County spending on foster care placements.

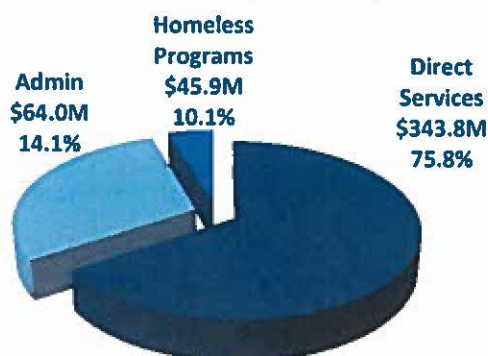
### *Types of Costs Included in the Estimates*

The estimates in this report consist of three general types of cost. (i) *Direct service costs* are recorded in administrative data at the individual client level and include income benefits, health-related services, probation and jail involvement, and foster care placements. More than three-quarters of the 12-month spending estimate in this report was expenditure on direct services. (ii) *Program Costs* are expenditures on services not recorded at an individual level in administrative data, which sometimes reflects a model of

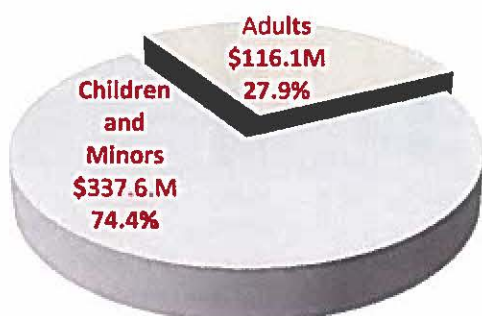
provision in which services are made available to families or to broadly-defined groups on a less structured basis. Programmatic spending comprises 10.1% of the total FY 2015-16 costs shown in this report. (iii) *Administrative Expenditures* are the ongoing operating costs - or *overhead* - County departments incur in providing services to their clients. The FY 2015-16 administrative estimate across the seven County agencies is 14.1 % of the total estimate in this report.

### Estimated County Spending on the Study Population, FY 2015-16 by Service Cost Type

Total 12-Month Expenditure: \$453.7



### Estimated FY 2015-16 Los Angeles County Expenditures Adult Family Members and Children Total Cost: \$453.7 Million



*Distribution of Spending on Children and Adult Family Members.* Almost two-thirds of the study population built for the present report consists of children and youth under the age of 18 and the estimated \$337.6 million the County spent on these children over 12 months comprises close to three quarters of the total study population expenditure shown in this report and almost one-quarter of the County's total estimated spending on the homeless population overall (children and families +single adults: \$1.43 billion).

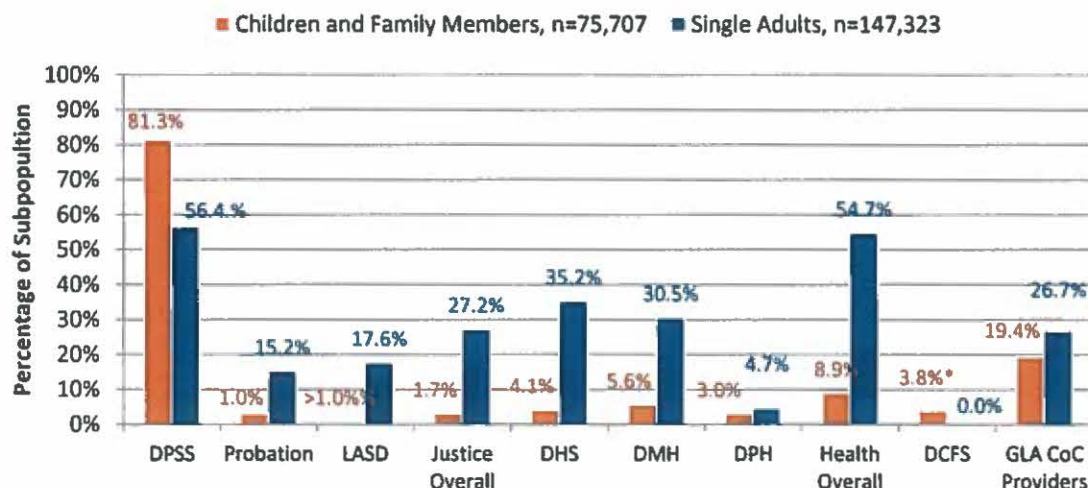
*Distinct Service Use and Spending Patterns.* The study population's service use patterns diverge significantly from what is observed in analyses of homeless single adults, both within the context of Los Angeles County and in research literature from varied jurisdictions more generally. Several key differences stand out and have implications for efforts to combat homelessness among families and children:

- The three departments within the Health Agency (DHS, DMH and DPH), for example, spent a combined total of \$48.5 million on the study population over 12 months and together account for 10.7% of the CEO's total FY 2015-16 estimate for families and children, which translates into \$1 of every \$9.35 in the overall expenditure on the population over 12 months (\$453.7 million)

## Executive Summary

- DMH spent \$33.7 million of this total health expenditure and therefore accounts for close to 70 cents of every health dollar in the CEO estimate for families and children.
- Probation and LASD combined spent roughly \$13 Million on the study population and therefore account for 2.8% of the total FY 2015-16 estimate, which means 1 out of every \$35 in the \$453.7 million overall estimate are justice-related.
- Juvenile probation accounts for \$11.6 Million of the justice estimate and 89 cents of every justice dollar spent on the study population in FY 2015-16.
- By contrast, spending by the Health Agency as a whole on homeless single adults accounted for 62 cents of every gross dollar of the estimated \$980.9 million the County spent on this population in FY 2015-16, and combined LASD and Probation spending comprised roughly 13 cents of every dollar.

### Homeless Families and Children vs. Homeless Single Adults: Proportions Served by Seven County Agencies and GLA CoC Service Providers, FY 2015-16



**Less Frequent Encounters with County Service Systems in General.** One out of every 11 persons in the study population constructed for this report received health-related services through DHS, DMH and/or DPH during FY 2015-16 as compared to more than one out of every two homeless single adults known to the County over the same 12-month period. More than four-fifths of the study population was in CalWORKs-aided households during FY 2015-16, which in almost all cases means the bulk of their health services costs are covered under Medi-Cal. Although Medi-Cal eligibility services are provided by the County through DPSS, recipients of these services are not required to address their health needs through County providers (i.e. those affiliated with DHS, DMH or DPH). Homeless single adults are generally enrolled with DHS as their Medi-Cal managed care provider more frequently than is the case among CalWORKs families and family and health-related services provided outside the County's healthcare system during the 12-month observation period are excluded from our estimates, not only because they are not County gross costs, but more basically because these services are not recorded in the data available to the CEO in producing a health estimate. It must therefore be emphasized that the estimated \$48.5 million in County *health spending* on the children



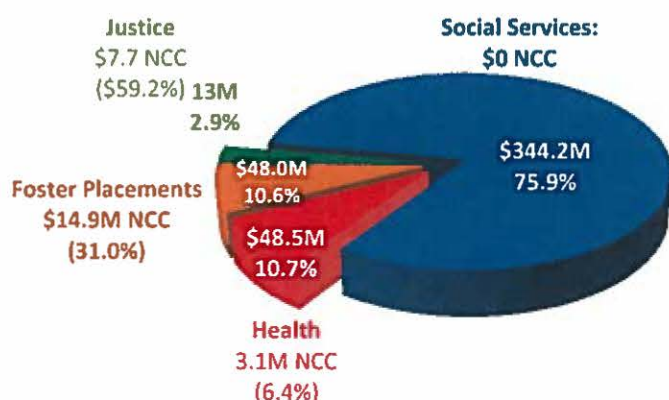
and families examined in this report by no means exhausts the study population's use of health and medical services, but is rather limited to services and treatment *provided through the County's healthcare system*.

Demographic differences between the two populations must also be considered in examining the distinct utilization patterns observed for homeless single adults and homeless family members. This population of family members examined in this report is comprised of parents and their dependent children. These family members are, broadly speaking, younger, homeless for shorter periods of time, and less likely to be faced with serious chronic physical and mental health ailments than homeless single adults

Health, moreover, is not the only service domain in which the overall degree of use is considerably smaller among families and children. For instance, roughly 1 in 50 persons in the study population had encounters with the County's jail and/or Probation systems in FY 2015-16 as compared to slightly more than 1 in 5 of the homeless single adults known to the County and observed over the same 12-month period.

*Inefficient, High-Cost Service Use is not a Defining Characteristic among Homeless Children and Families.* The depth, routine and ongoing character of DPSS's relationship with the homeless population overall makes the department *the* essential County touch point with respect to both homeless families and homeless single adults.

Estimates across Seven Los Angeles County Departments  
on the FY 2015-16 Study Population  
Total Estimate \$453.7 Million



Beyond DPSS, however, DMH's encounters with 5.6% of those in our study group of homeless family members (roughly 1 of every 18 persons) was the most frequently utilized department for this population. Moreover, all but roughly 5% of the \$33.7 million DMH spent on the study population paid for services provided on an outpatient basis, which is generally viewed as an efficient service use pattern.

While the problem of high-cost, inefficient homeless service use is well-known

among researchers focusing on homelessness, this report suggests that such utilization patterns are, in general, *specific to homeless single adults* and are not widely observed among the types of children and families examined in this study.

More specifically, previous research conducted by RES shows that a comparatively small slice of high-acuity homeless single adults in a given year will typically account for a heavily disproportionate share of the County's total spending on this population. However, roughly 76% of the spending on homeless families and children examined in this report paid for DPSS benefits and services, which were received during our 12-month observation period by more than four out of five clients in the study population.<sup>4</sup> By comparison,

<sup>4</sup> RES's previous homeless cost study showed that 5% of a study population consisting of 148,815 homeless single adults, the most expensive 5% among these County clients (7,441 persons), accounted for \$381.1 million of the \$965 Million spent on the population over FY 2014-15. (Wu, Fei, Max Stevens. *The Services homeless Single Adults*

## Executive Summary

56.4% of the FY 2015-16 homeless single adult population examined by RES received GR benefits and DPSS expenditures constitute roughly one-quarter of the estimated total County spending on this population over 12 months of observation.

It must be emphasized in this context that the absence of a high-cost utilization patterns does not diminish the urgency of combatting homelessness among children and families, but rather should provoke policymakers to consider whether efforts on behalf of this population should be oriented in a way that is distinct from interventions intended to serve single adults. The concluding chapter considers whether efforts to combat child and family homelessness might place less focus on cost savings and cost avoidance while placing more emphasis on *prevention*.

*Costs per capita.* Although cost savings may be a less relevant motivating factor with respect to homeless children and families, potential benefits could nevertheless be achieved in placing focus on agencies examined in this report with the highest costs *per capita*:

- DCFS's costs per child in the study population in FY 2015-16 - \$89,576 - are far and away the highest among the agencies examined.
  - As such, although only 1% of the children in the FY 2015-16 study population were served by DCFS in that year, efforts that successfully reduce the flow of children from homelessness to the foster care system or that reduce the amount of time these children are in the system would be likely to yield savings.
- An even smaller portion of the children/minors in the study population were in the juvenile Probation system over the observation period (329 probation youth). The average 12-month costs associated with these juveniles (\$35,273) do not approach DCFS's costs *per capita* for study population children and youth involved in the foster care system, but costs associated with probation youth are nevertheless substantial and suggest that diverting homeless minors from the juvenile justice system would similarly have the potential to produce significant cost savings.
- DMH's average cost per study population child over 12 months - \$10,113 - is the highest among the three health departments.
  - As discussed above, however, roughly 98% of the spending on these children paid for services provided on an outpatient basis and engagement with this typically more cost effective type of service and treatment is generally viewed as a favorable outcome.
- Similarly, estimates presented in Chapter 2 of this report suggest DPSS spent an average of \$6,413 per study population child and over 12 months of observation and \$12,231 per family, but connection to income benefits is generally also understood as a positive outcome for homeless populations, all the more so when virtually all of the associated costs are federal and State revenues.

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*Use. And their Associated Costs: An Examination of Utilization Patterns and Expenditures in Los Angeles County Over One Fiscal Year.* Chief Executive Office. January 2016.) This distribution was observed again when the analysis was replicated based on an FY 2015-16 populations.

*Recommendations: Using the Analyses and Estimates to Help Guide Efforts to Combat the Child and Family Homelessness..* The concluding chapter to this report looks at the significance of the CEO's analyses and findings for the countywide efforts to combat homelessness among children and families. The following nine recommendations are offered and discussed:

- The Board and the CEO may wish to consider directing RES to examine the operational implications of the comparatively distinct patterns of service use observed among children and families. Specifically, what do these patterns suggest in terms of the types of interventions that are most appropriate for the family member segment of the homeless population?
- The evidence suggests that it may be advantageous for County departments and homeless policy stakeholders more generally to place more emphasis on prevention than on cost effectiveness and efficiency in the provision of services to at risk and homeless families and children.
- Consider instructing DPSS and RES to work collaboratively in conduct research exploring the degree to which homeless single adults experience episodes of homelessness as children/minors.
- Explore the availability of resources that would enable the CEO to work with academic partners to deploy predictive modeling to address the PSS Commission's interest in the relationship between child homelessness and involvement in the County's Foster Care System.
- Assess the degree to which contracted mental health providers can play a supportive role in Homeless Initiative strategies relevant to children, youth and families who are homeless or are at risk of becoming homeless.
- Consider instructing DPSS, DCFS, Probation's juvenile division and RES to leverage an existing agreement between the CEO and the Children's Data Network at USC to enhance information available to County policymakers on health-related treatment received by homeless children who also use County services.
- Assess the processes through which DCFS and Probation's Juvenile Division record homeless children and youth in their data systems.
- Assess the feasibility, legality and potential enhancements to the CEO's homeless data infrastructure that could result from the execution of an information sharing agreement with LACOE.
- Assess potential enhancements to the CEO's homeless data infrastructure that could result from the execution of an information sharing agreement between the CEO and the newly-established Office of Youth Diversion and Development within DHS's Office of Diversion and Re-Entry (OD&R).



## Acknowledgements

The initial impetus for the work and resources invested in this report was provided by Los Angeles County's Public Social Services Commission. We would like to extend special thanks to the Commission and especially the Commission's Chairman, Booker Pearson, both for drafting a letter in support of the May 24, 2016 Board Motion that initiated the work on this report and, more generally, for his tireless efforts on behalf of vulnerable children residing in Los Angeles County and elsewhere.

As this report shows, DPSS is the County agency most intensively involved with families and children experiencing periods of homelessness. The department was indispensable to us in conducting our analyses and we would like to express our gratitude to Sheryl Spiller and Antonia Jimenez for approving the department's support of our work on this report. We also extend our gratitude to Luther Evans, Jr., Bill Taylor and Silvia Valencia, as well as to Laura Chavez, Francis Xavier, Deon Arline, Henry Bermudez, LaShonda Diggs, Mai Dinh, Kelvin Driscoll, Hector Flores, Darling Garcia, Lonnie Quach and Jennifer Zogg, for their collegiality in making data and information readily available and helping us to produce accurate cost estimates.

Our work additionally benefitted from the input and expertise shared with us by the following County colleagues and collaborators: Lynn Cao, Cecilia Custodio, Rae Hahn, Thomas, Nguyen, Xun Sun, Rogelio Tapa and Albert Wong at DCFS; Libby Boyce, Irene Dyer, Whitney Lawrence, Cheri Todoroff and Toki Sadraloadabai at DHS; Paul Arns, Maria Funk, Kalene Gilbert, and Mary Romero at DMH; Tina Kim, Sandy Song and Babatunde Yates at DPH; Hellen Carter, Maria Castro, Richard Giron, Sharon Harada, Nathan Lehman, Luis Mercado, Estella Morales and Grace Reyes at Probation; Captain Paula Tokar, Lieutenant Jill Deschamps, Sargent Michael Rich, and Scott Goodwin LASD; William Kehoe, Peter Loo, and Mark Greninger in the CEO's Office of the CIO.

Fesia Davenport's leadership within CEO and her support of our efforts was of great benefit to us throughout the challenges we faced in preparing this report. We would also like to thank Harvey Kawasaki in the CEO's Strategic Integration Branch, who is an outstanding mentor and helped us navigate the crosscurrents involved in working on a large-scale project involving multiple departments.

A special word of thanks must also be given to the County's Office of the Homeless Initiative in general and particularly to the Initiative's director, Phil Ansell, who read several drafts carefully and, as always, offered thoughtful and trenchant feedback that improved the report significantly.

Outside the County, we would like to thank Benjamin Henwood and Robin Joyce Afi Cox at the University of Southern California's (USC's) School of Social Work; Regan Faust, Jacqueline McCroskey and Emily Putnam-Hornstein at the Children's Data Network (USC); Peter Lynn, Ian Costello, Josh Decell, Steven Rocha, JuHyun Sakota at the Los Angeles Homeless Services Authority; Samantha Batko and Jayme Day at the National Alliance to End Homelessness; Chris Ko and Michael Naliat at the United Way; and Halil Toros at the SAS Institute.

## 1. Introduction

On May 24, 2016, the Los Angeles County Board of Supervisors approved a motion directing the Chief Executive Office (CEO) to collaborate with County agencies and the Los Angeles Homeless Services Authority (LAHSA) in preparing a report examining fiscal costs associated with the provision of services to homeless children. The Board additionally instructed the CEO to develop a plan, informed by the cost analysis, to invest ongoing resources in efforts to house homeless children.<sup>1</sup>

The motion was issued in response to a letter addressed to the Board from the County's Public Social Services (PSS) Commission, which requested a report that would approach the fiscal impact of *child homelessness* with a level of rigor and focus commensurate to the nature of the problem and comparable to a previous CEO report analyzing 12-month costs associated with *single adult homelessness*.<sup>2</sup> The Commission's letter noted, in particular, that *'the economic cost of homeless adults has been well documented in Los Angeles by multiple studies, including the most recent Los Angeles County Homeless Initiative report. However, there has not been any extensive research outlining the County costs that are incurred from the number of homeless children living on the streets and in homeless shelters.'* The letter further noted that, *'the County's efforts to solve homelessness could be greatly aided by more robust data documenting the true economic cost of child homelessness.'*

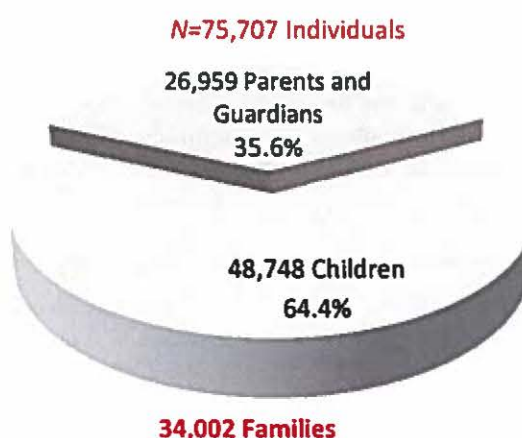
### 1.1. Overview

This present report was prepared in response to the May 24, 2016 Board motion and presents a series of estimates suggesting that seven core Los Angeles County agencies spent \$453.7 Million in FY 2015-16 on 75,707 children and adult family members, connected to 34,002 families known to have experienced varied periods of homelessness at some point during the same 12-month period (Figure 1a and 1b).

#### 1.1.1. A Focus Inclusive of Families

In conducting the analyses for this report, the CEO's Research and Evaluation Services unit (RES) examined County costs incurred in serving homeless children within a broader context of spending on *families* experiencing homelessness in the course of a fiscal year. Almost two-thirds of the study population built for the present report consists of children and youth under the age of 18 and they account for close to three quarters of the overall combined annual cost estimate (\$337.6 million) produced through the analyses summarized in the chapters that follow. The rationale for expanding the scope of inquiry to include spending on families more generally is two- fold:

**Figure1a.**  
The Study Population for this Report



<sup>1</sup> The motion is provided in Appendix A.

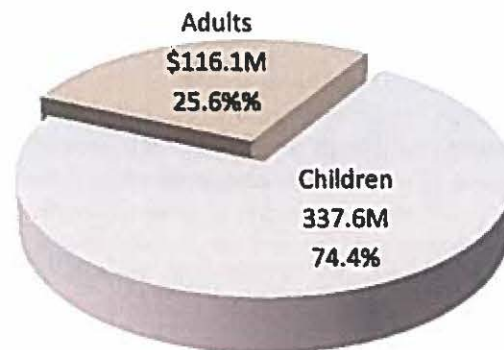
<sup>2</sup> Wu, Fei, Max Stevens. *The Services homeless Single Adults Use. And their Associated Costs: An Examination of Utilization Patterns and Expenditures in Los Angeles County Over One Fiscal Year.* Chief Executive Office. January 2016.



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- Significant portions of County service-related spending on homeless children is not separable from costs incurred in providing services and benefits to the families responsible for these children.
- A more restrictive focus exclusively on children would leave homeless parents and adult guardians unaddressed in analyses of the fiscal significance of homelessness for Los Angeles County.

**Figure1b.**  
Estimated FY 2015-16 Los Angeles County Spending  
on the Study Population  
**\$453.7 Million**



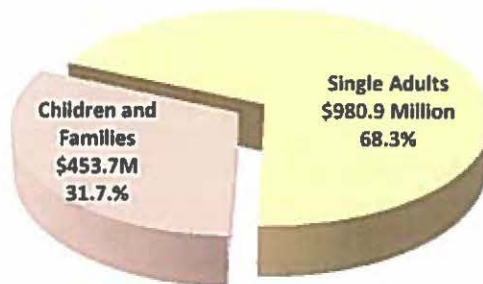
### 1.1.2. A Companion Piece to a CEO Report on Homeless Single Adults.

With respect to the second of these two factors, one of the key organizing principles informing the approach RES took in conducting analyses of spending on homeless children and families was to fashion the present report as a companion piece to the previous report, alluded to above, on costs associated with homeless single adults. Specifically, the two reports form a single roadmap providing policymakers and stakeholders with a thorough demonstration of the indispensability of mainstream service delivery systems to the County's homeless population as a whole, as well as a sense of the stark fiscal and humanitarian implications of the homeless crisis.

### 1.1.3. Spending on the Homeless Population as a Whole

When the spending on children and families examined in this report is combined with the CEO's analysis of County expenditures on homeless single adults over the same 12-month period, the result suggests the County spent *\$1.43 billion* on its full known homeless population (children, adult family members and single adults) over a period of 12 months, 31.7% of which was expenditure on homeless families and children (Figure 1c).<sup>3</sup>

**Figure 1c.**  
Estimated FY 2015-16 Los Angeles County Spending  
on Homeless Children, Families and Single Adults  
**Total Expenditure \$1.43 Billion\***



\*These expenditures represent services, benefits, treatment and care provided to a total of 223,030 persons (75,707 children and adult family member and 147,323 unaccompanied adults).

<sup>3</sup> RES's initial analysis of County expenditures on homeless single adults looked at FY 2014-15 and estimated that six Los Angeles County agencies spent roughly \$965 million on 148,815 homeless single adults. To meet several requests and obligations, the methodology deployed to prepare the FY 2014-15 report was subsequently replicated for FY 2015-16.

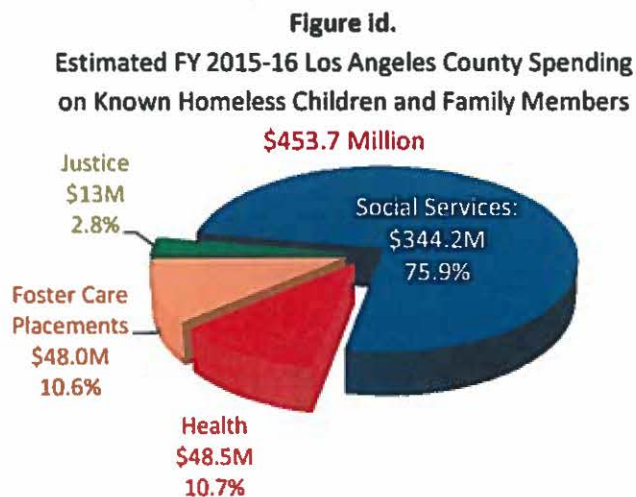


## 1. Introduction

By extension, expenditures on children and minors over 12 months (\$337.6 million) constitute 23.6% of the \$1.43 Billion County total for the full population.

### 1.1.4. Spending on Families and Children is Highly Asymmetrical

Readers more conversant with cost patterns typically observed in analyses of homeless single adults may be surprised by the agency-level distribution of child and family costs examined in this report. In providing the study population with CalWORKs and CalFresh benefits, as well as a wide range of services for homeless and at-risk families, the County's Department of Public Social Services (DPSS) accounts for roughly 76% of the expenditure shown in this report (Figure 1d).<sup>4</sup>



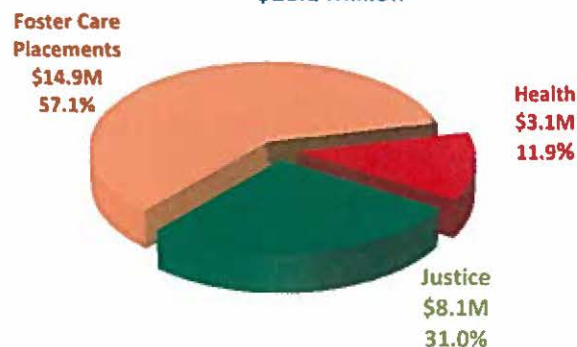
Foster Care Placements administered by the Department of Children and Family Services (DCFS) account for 10.6% of the estimated County total for families and children. Costs associated with health-related services provided through the departments of Mental Health (DMH), Health Services (DHS) and Public Health (DPH) comprise 10.7% of the County total. Finally, justice costs (juvenile and adult Probation and jail stays administered by the Sheriff's Department [LASD]) account 2.8% of the total County cost estimate shown in this report.

In one noteworthy respect, the distribution of spending on children is deceptive insofar as the \$59.6 Million in combined 12-month DCFS and Juvenile Probation expenditures comprises 17.7% of the \$337.6 million in estimated total 12-month expenditures on children across the seven departments examined in this report while these two departments provided service to less than 2% of the children and minors in the study population during FY 2015-16.

### 1.1.5. Net County Cost and Revenue

The distribution by service domain of the estimated \$26.1 million in Net County Cost dollars - i.e. funds drawn down from the County's General Fund - spent on the study population is shown in Figure 1e. Whereas the majority of DPSS spending on homeless single adults is Net County Cost (NCC) we estimate that effectively 0% of the

**Figure 1e.**  
**Estimated NCC Spending on the FY 2015-16 Study Population**  
**\$26.1 Million**



The study population constructed to complete this second analysis consisted of 147,323 homeless single adults. The 1.3% increase in cost is largely explainable by annual increases in some direct services costs.

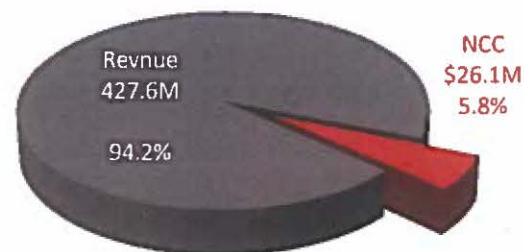
<sup>4</sup> The DPSS estimate presented in this report does not include costs associated with the provision of Medi-Cal eligibility services. Appendix B explains the reasons for this.

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department's expenditures on the families and children examined in this report are NCC. The reason for this dramatic difference is that, unlike General Relief (GR) benefits for single adults, which are paid from the County's general fund in connection with an unfunded indigent aid mandate California imposes on counties, CalWORKs aid and almost all of the associated administrative costs are paid through Federal and State Temporary Assistance to Need Families (TANF) revenues.<sup>5</sup>

For a number of reasons, including maintenance of effort funding complexities, we are unable to produce a NCC estimate for DHS, but the department accounts for only 2.3% of the total County expenditure shown in this report. Since it is most likely the case that the bulk of the department's \$10.4 million in estimated spending on the study population was Medi-Cal revenue, we assume for practical purposes that all of this expenditure was revenue.

**Figure 1f. Distribution of Los Angeles County's Estimated Spending on Homeless Families and Children by NCC and Revenue**  
Total Expenditure: \$453.7 Million



Insofar as none of the DPSS or DHS costs in this report are categorized as NCC, the 26.1 million in NCC expenditures shown in Figures 1e and 1f, as well as in Table 1a, reflect spending across five of the seven departments examined in this report. These NCC costs comprise 5.8% of the \$453.7 million in estimated County expenditures on the study population over FY 2015-16

Dept.	12-Month Spending	Estimated Revenue		Estimated NCC	
		\$	%	\$	%
DPSS	\$344,200,000	\$344,200,000	100	0	0
DCFS	\$48,013,000	\$33,128,970	69.0	\$14,884,030	31.0
DMH	\$33,734,338	\$33,079,866	98.2	\$654,472	1.9
*DHS	\$10,366,032	10,366,032	100	0	0
DPH	\$4,370,724	\$1,933,749	44.2	\$2,436,975	55.8
Probation	11,994,467	\$4,342,423	36.2	\$7,652,044	63.8
LASD	\$1,012,073	\$510,085	50.4	\$501,988	49.6
<b>Total</b>	<b>\$453,690,634</b>	<b>\$427,561,125</b>	<b>94.2</b>	<b>\$26,129,509</b>	<b>5.8</b>
Minus DPSS	\$109,478,561	\$83,349,052	76.1		23.9
Minus DPSS & DHS	\$99,112,529	\$72,983,020	73.7		26.3

^These calculations are row percentages.  
\*An NCC estimate for DHS could not be produced for this report. DHS expenditures shown in our analyses are assumed to be 100% revenues.

Given DPSS's outsized share of our total County estimate, however, It is worth noting that if DPSS is removed from the calculations, the six remaining agencies - Probation, the Sheriff (LASD), DCFS, DHS, DMH and DPH - spent \$109.5 million on the study population in FY 2015-16, roughly 24% of which was NCC.

Table 1a takes this a step further and looks at spending with both DPSS and DHS removed from the denominators, in which case the \$26.1 million NCC estimate comprises 26.3% of the expenditures among the departments with any NCC shown in this report. An additional point of emphasis is that the NCC estimates for DCFS and Probation sum to \$22.6 million, which is 86.6% of the estimated County NCC total for the study population, yet the two departments, as previously noted, provided services to less than 2% of the study population's children in FY 2015-16.

<sup>5</sup> CalFresh benefits paid through DPSS to both family members and single adults eligible to receive them are effectively 0% NCC.



## 1. Introduction

### 1.2. Building the Study Population

DPSS and DCFS are currently the two County agencies that make a systematic effort to record homelessness among the families and children in their respective client populations and data systems. The County homeless client source data used to build the study population for this report were therefore extracted from:

- (a) DPSS records of homeless families and children receiving benefits through the California Work Opportunity and Responsibility to Kids (CalWORKs) program *(61,555 children and adult family members in 28,141 families/households that were identified in DPSS data as homelessness at some point during FY 2015-16);*
- (b) DCFS caseload records of child-protective cases and placements involving *1,234 children and adult family members in 468 families that experienced periods of homelessness in FY 2015-16.*

#### 1.2.1. Homeless Source Data

As shown in Table 1b, clients extracted from the DPSS and DCFS data systems were *merged and de-duplicated*, a process that yielded 62,417 unique persons, of which 64.2% (40,065) were under the age of 18 on July 1 2015, the start of the County's 2015-6 fiscal year. All but roughly 1.4% of those extracted from the two County data sources (862 family members) were DPSS clients. Those extracted from the two County sources were reconciled in the data with 28,305 families.<sup>6</sup>

Children and adult family members receiving homeless services recorded in the Homeless Management Information System (HMIS) and rendered through providers affiliated with the Housing and Urban Development (HUD) Coordinated Entry System (CES) for the Greater Los Angeles Continuum of Care (GLA CoC) during FY 2015-16 were also assimilated into the study population.

Table 1b. FY 2015-16 Study Population, by Homeless Source System \*

System	Individuals		Children/Youth		Adults		Families	
	%		%		%		%	
	#	Total+	#	Total+	#	Total+	#	Total+
DPSS	61,555	81.3	39,749	81.5	21,806	80.9	28,141	82.8
DCFS	1,234	1.6	536	1.1	698	2.3	388	1.4
County	62,417	82.4	40,065	82.2	22,352	82.9	28,305	83.2
HMIS	14,703	19.4	9,384	19.3	5,319	19.7	5,766	17.0
<b>Total</b>	<b>75,707</b>	<b>100</b>	<b>48,748</b>	<b>100</b>	<b>26,959</b>	<b>100</b>	<b>34,002</b>	<b>100</b>

\*Person and family count totals are unique by row and not unique within the columns

+Measures percentage of column total

Clients in the two County data sources and HMIS were merged and de-duplicated, producing a study population consisting of 75,707 individuals, including 48,748 children and 34,002 families. Almost one-fifth of the study population (14,703 unique individuals, 9,384 children, and 5,766 families) were extracted from HMIS.

Overall, 82.4% of the individuals (children and adult family members) in the study population were extracted from County sources and 19.4% were extracted from HMIS, which means that less than 2% of these 75,707 individuals (i.e. a total of 1,413 family members) appeared in both County data systems and HMIS.

<sup>6</sup> Individuals extracted from DCFS placement data include children served by the department and the parents associated with their case(s). A total of 372 of the 1,234 persons extracted from DCFS data for this report (i.e. 30%), including 220 of the children/youth extracted from DCFS records (41%) appear in CalWORKs records during the same 12-month period.

## 1. Introduction

### 1.2.2. The Study Population Reflects Varied Homeless Criteria

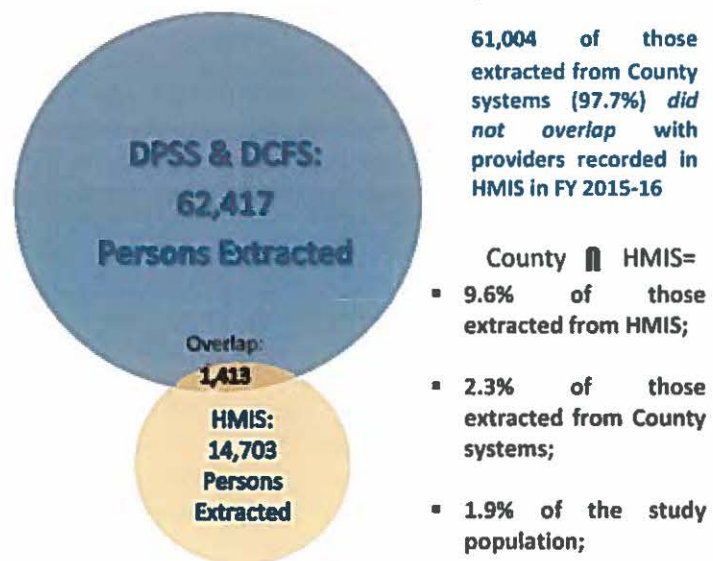
The comparatively small degree of overlap across HMIS and County data systems merits further discussion. The analyses conducted for this report reflect two distinct methods by which service providers identify homeless clients. The two *County* agencies lending clients to the study population – DPSS and DCFS - use essentially the same proxy method of identification, one in which a client or family is coded as homeless in departmental data in a given month of service provision if the residential address they choose to use in their service records is a departmental office. Use of a departmental office as a residential address typically occurs if a client answers affirmatively when departmental personnel ask them if they are homeless. The DPSS/DCFS proxy method can therefore be understood as a type of self-reporting on the part of a client.

The bulk of those extracted from HMIS for this report are, by contrast, identified in the data system as homeless based on a more fully-elaborated and *restrictive* set of HUD criteria, which are used operationally to determine whether or not a given individual or family meets the conditions that would enable them to access HUD-approved services.<sup>7</sup> As a consequence of this internal divergence, cost estimates presented in this report *do not reflect a fully uniform population in terms of definition and composition*. Services used by persons identified as homeless in County data but who do not conform to the homeless criteria applied by non-County homeless services providers in HMIS are included in our estimates.

### 1.2.3. Homeless Criteria and Overlapping Clients across Homeless Data Sources

Among the 14,703 children and adult family members included in the study population from HMIS, 1,413 (9.6%) were identified at some point during the same 12-month period as homeless in DPSS and/or DCFS data systems. Based on other research conducted within the CEO, this is not an unexpectedly low match rate but nevertheless means that only 2.3% of the 62,417 persons extracted from the two County source systems combined used services provided by providers recorded in HMIS during FY 2015-16 (Figure 1g).<sup>8</sup>

Figure 1g.  
County-HMIS Data Overlap in the FY 2015-16 Study Population  
(N=75,707 children and adult family members)



<sup>7</sup>The HUD homeless criteria specify four definitional categories: 1. *Literally Homeless*; 2. *Imminent Risk of Homelessness*; 3. *Homeless under other Federal Statutes* (but not homeless within the HUD parameters); 4. *Fleeing or Attempting to Flee Domestic Violence*. The provision of most services through HUD-approved providers is based on those who meet the standard for literal homelessness, which include, 'individuals who lack a fixed, regular and adequate nighttime residence, meaning (i) that they have] a primary nighttime residence that is a public or private place that is not meant for human habitation, (ii) [are] living in a publicly or privately operated shelter designated to provide temporary living arrangements...or (iii) [are] exiting an institution where [they have] resided for 90 days or less and resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.'

<sup>8</sup>For more information on the overlap between clients in HMIS and County data systems, see CEO/RES.. *Comparing Methods of Accounting for Los Angeles County's Homeless Population*. January 2018. The report was supporting document (Attachment A) for a Board Memo authored by the CEO's Homeless Initiative Board Correspondence. Motion



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It is not possible to state systematically the extent to which those who are extracted from County systems and have no record of service use in HMIS do not use CES services as a result of not meeting the HUD definition. Given the comparative inclusiveness of the proxy method of identification used by DPSS and DCFS, however, it is reasonable to infer that a significant portion of the 61,004 County clients in the study population who did not use HUD CES services within the 12 months of observation would not meet the HUD homeless definition even if they attempted to access services rendered through CES providers in the GLA CoC. To a degree that is likely significant, then, the 12-month cost estimates presented in this report can be understood as the *combined* costs associated with two largely distinct populations.<sup>9</sup> This offers what appears to be the most plausible explanation for the small degree of overlap across HMIS and the County source systems used to build the study population.

### 1.3. Demographic Composition

Table 1c shows the demographic composition of the study population overall and of the children within this population. African-American family members comprise the largest share of the study population. Together with the Latino parents and children the two subgroups comprise about four-fifths of the population.

#### 1.3.1. Family Size.

Table 1d shows the average numbers of individuals and children per family in the study population, parsed by the homeless data source systems of origin. The average - 2.2 individuals per family overall, including 1.4 children - reflects both a study population dominated by families consisting of one child and one

Table 1c. Study Population Demographics

FY 2015-16 Study Population				
Gender	#	%	Children	%
		N=75,707		n=48,748
Male	29,303	36.9	24,572	50.4
Female	46,404	63.1	24,176	49.6
Race/Ethnicity	#	%	Children	%
African-American	35,116	46.4	22,475	46.1
Latino	25,982	34.3	18,378	37.7
White	6,451	8.5	3,796	7.8
Other	8,158	10.8	4,099	8.4
Age	Median	Over Age 18		Under Age 18
		30.6		7.2

Table 1d. Individuals and Children per Family, by Source System

System	Families	Individuals		Children	
		#	Per Family	#	Per Family
DPSS	28,141	61,555	2.2	39,749	1.4
DCFS	388	1,234	3.2	536	1.4
County	28,305	62,417	2.2	40,065	1.4
HMIS	5,766	14,703	2.5	9,384	1.6
<b>Total</b>	<b>34,002</b>	<b>75,707</b>	<b>2.2</b>	<b>48,748</b>	<b>1.4</b>

on Measure H Funding: Accounting for the Homeless Population that is unaccounted for in the Greater Los Angeles Homeless Count, written in response to a Board motion, June 13, 2017, Item No. 12. Also see: CEO/RES. *Linking Data Across the Homeless Management Information System and the Enterprise Linkages Project*. A study underwritten by Abt Associates, September 2015. Submitted with a Board Correspondence transmitting the report, September 15, 2015.

<sup>9</sup> The same set of considerations help explain why federally-mandated counts of homeless school children, produced by the Los Angeles County Office of Education (LACOE) diverge sharply from Point-in-Time counts of children produced in LAHSA's annual homeless counts. The federal definition school districts are required to use in collecting the data that informs LACOE's count, which is separate from the HUD literal homeless definition, includes children who "lack a fixed nighttime residence and children who are 'doubled up' as a result. Typically roughly 85% of the LACOE count consists of those who are doubled up, which is significant in the present context insofar as a doubled up situation does not meet the HUD definition and is, at least in operational effect, arguably even more inclusive than the DPSS/DCFS proxy approach to homeless identification. The implications for this report's estimates of the LACOE homeless count and the definition upon which the count is based are discussed in more depth in the concluding chapter of this report.



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parent, as well as a substantial number of cases in which children in households were included in the study population but the associated parents or adult guardians were not.<sup>10</sup>

### 1.4. Costs

Table 1e: Service Categories, Cost Types and Data Sources

	County Expenditures	
	Direct services	Data Source
Three types of spending comprise the estimates presented in this report. Table 1e shows the data sources used to produce the estimates.	DPSS	LRS
	DCFS	IDSS
	*Adult Probation	Adult Probation System
	Juvenile Probation	Juvenile Probation Case Management System
	Sheriff	AJIS
	DHS	ORCHID
	DMH	IBHIS, Legacy
	DPH/SAPC	LACPRS
	County Departments	
	CEO Budget, County Departments	
<b>Non-Individualized Program Costs</b>		
1.4.1. Three Types of Cost	Administrative Expenditures	
	*Adult Probation in the data shared with the CEO includes both Adult Felons and AB 109ers.	

*Direct service costs* are expenditures recorded in administrative data at the individual client level.

These expenditures are captured through data matches linking the 75,707 persons in the study population to records of services provided during FY 2015-16. Examples of these costs are expenditures attached to outpatient mental health service episodes or a family's monthly receipt of benefits through DPSS.

Los Angeles County spent an estimated \$343.8 million on direct services provided to the study population in FY 2015-16, which comprises more than three quarters of the combined \$453.7 million in estimated 12-month expenditures on the study population overall by the seven departments examined in this report (Figure 1h). Costs associated with direct services *provided to children* in the FY 2015-16 study population (\$262.4 million), in turn, comprise 76.3% of the direct services estimate for the full study population and 57.8% of the total cost estimate.

*Program Costs* are expenditures on programs that provide services not systematically recorded at an individual level in administrative data. The absence of individual level (episodic) data in some but not all instances is reflective of a model of service provision that is not individualized but rather centered on making services available as needed to families or to broadly defined groups on a collective basis.

Since the analysis of program costs must rely on aggregate spending figures for the Fiscal Year, two methods are available for the inclusion of these expenditures in larger estimates. If the program in question is exclusively for homeless children or families, then the full programmatic cost for the fiscal year can simply be included in a departmental estimate. If the target population for the program includes other types of clients, then other information must be used to derive a prorated estimate.

In FY 2015-16, three of the seven County departments examined in this report spent an estimated \$45.9 million on service provided to the study population on a programmatic basis. The cost of these programs comprises 10.1% of the overall estimate shown in this report. DPSS again was the dominant department with respect to

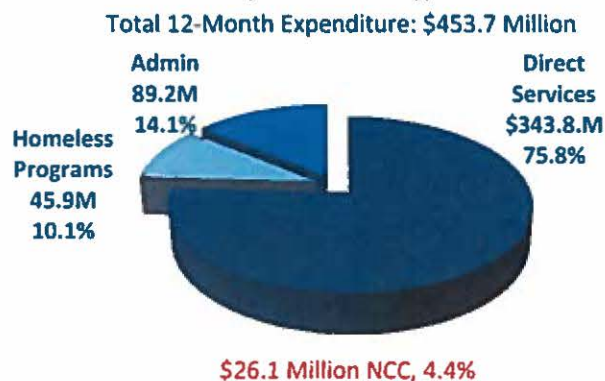
<sup>10</sup> The primary reason for the significant count of children who could not be attached to families is the absence of a family identifier in the HMIS source data RES worked with for this report. Under some circumstances, other variables in the system can be used to reconcile children with their adult guardians, but such solutions are not exhaustive. It should be noted in this context that, since unreconciled children are counted here as single-person families, the absence of a family identifier likely works to understate the number of children per family and to overstate the number of families to an indeterminate degree.

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these costs, accounting for \$39.1 million of this expenditure (85.2%). DMH expenditures in the amount of \$4.6 million on housing services for families and TAY accounts for roughly 10% of the total FY 2015-16 programmatic spending estimate on the study population, and DPH expenditures in the amount of \$2.3 million account for the remaining 5% of the combined programmatic cost estimate for the three departments.

Figure 1h.

Estimated County Spending on the Study Population, FY 2015-16  
by Service Cost Type



**Administrative Expenditures** are the ongoing operating costs County departments incur in providing services to their clients. We estimate the seven departments included in our analyses incurred \$64 million in administrative costs in providing services to the study population in FY 2015-16, (i.e. 14.1% of their expenditures on these clients over 12 months.<sup>11</sup>

Departmental budgeting practices are such that selected services not traditionally categorized as administration nevertheless are built into departmental administrative allocations. DPSS homeless program services funded through the CalWORKs single allocation, for example are grouped in departmental budgeting with administrative allocations. Where this is the case, we subtract the costs of these services from administrative allocations and show the program costs separately, both because of the importance of highlighting these services and so as to avoid prorating (and therefore understating) costs that should be added to the estimates in their entirety.

### 1.5. Implications for a Plan to House Homeless Children

The motion to which this report is responsive includes directions to *develop a plan* – informed by our cost analysis - *that focuses on providing ongoing resources to house homeless children in Los Angeles County.*<sup>11</sup> It is useful in this context to recall that the motion was introduced barely five months after the Board approved the HI's comprehensive countywide strategies to combat homelessness, and ten months prior to the electorate's approval of Measure H, which is expected to generate \$355 million in annual revenues, all of which will be used to infuse the HI strategies with indispensable resources.

Any plan put forth to invest resources in housing homeless children must therefore take account of a countywide approach to the homeless crisis that is considerably more mature and developed than was the case when the May 2016 motion was approved. The HI's strategies and the documentation developed to provide a transparency in the approach to allocating Measure H resources themselves constitute the type of plan requested in the motion. In this respect, offering a plan *independently of and/or separate from* the County's coordinated Homeless Initiative strategies would risk weakening coordinated action across Los Angeles County and be counterproductive to the County's capacity to deploy available resources concertedly. The final chapter to this report therefore examines how the service use and spending patterns in the data can be leveraged to optimize the Measure H revenues invested specifically in the HI strategies for children and families.

<sup>11</sup> The DPSS component of the total administrative cost estimate does not include administrative costs associated with the CalFresh and Medi-Cal programs. The reasons for this are described in Appendix B.



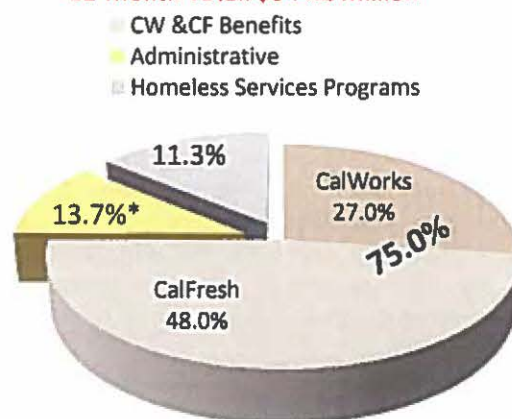
## 2. Social Services Estimates

No agency either within or outside Los Angeles County governance has a deeper or more impactful reach into the population of families experiencing homelessness at any particular point in time than DPSS. The study population constructed for this report includes a 12-month cumulative total of 61,555 individual persons who were members of 28,141 families/households (a) receiving CalWORKs benefits in at least one month during FY 2015-16, and (b) identified as homeless during at least one of the months in which they received these benefits over the 12-month observation period. A total of 39,749 persons in the CalWORKs segment of the study population (64.6%) are children. Within a larger context, close to 83% of the families in the study population overall, including 81% of the population's children, were DPSS clients during all or part of FY 2015-16.

### 2.1. The Magnitude of DPSS Expenditure on Homeless Families and Children

We estimate DPSS spent a grand total of \$344.2 million in FY 2015-16 on the study population (Table 2a). Three quarters of this expenditure (\$258.2 million) paid for CalWORKs and CalFresh benefits. The study population's share of CalWORKs administrative expenditures (\$47 million) comprises 13.7% of DPSS's overall 12-month spending on these clients, while \$39.1 million in programmatic spending specifically for homeless families, funded through the CalWORKs Single Allocation, among other sources, accounts for 11.3% of the department's expenditure on the study population over the fiscal year. (Figure 2a).<sup>16</sup>

Figure 2a.  
DPSS Estimated Spending on  
Homeless Children and Families, FY 2015-16  
12-Month Total: \$344.2 Million



\*Does not include CalFresh or Medi-Cal administrative expenditures.

Table 2a. Summary Estimate of DPSS Spending on Homeless Clients, FY 2015-16

	#	CalWORKs & CalFresh	Homeless	CalWORKs	Total	
		Benefits Expenditure	Services*	Administrative Expenditure	\$	Per Unit
Clients	61,555	\$258,150,000	\$39,082,280	\$46,967,720	\$344,200,000	\$5,592
Children	39,749	\$193,575,000	\$27,865,666	\$33,487,984	\$254,928,650	\$6,413
Families	28,141	\$258,150,000	\$39,082,280	\$46,967,720	\$344,200,000	\$12,231

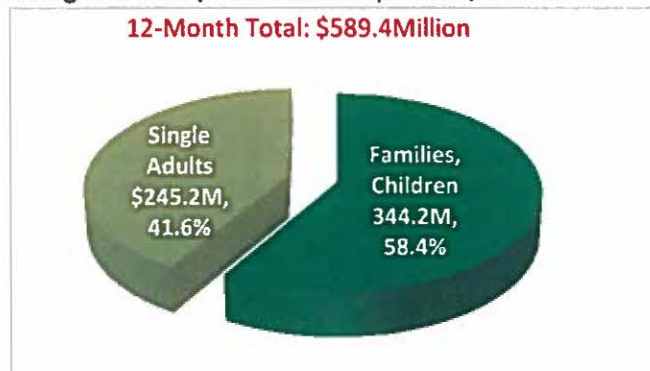
\*In DPSS's annual budget, these programmatic services costs are included with administrative costs. We subtract them from the factors informing our DPSS administrative estimates for the study population in order to show them separately.

<sup>16</sup> Actual gross total administrative expenditures for all DPSS clients receiving CalWORKs, CalFresh and Medi-Cal eligibility services in FY 2015-16 were as follows: CalWORKs: \$512 million; CalFresh: \$392.6 million; Medi-Cal: \$547.4 million. Since portions of these dollars and the administrative functions they fund overlap, RES has complied with DPSS's request to limit the FY 2015-16 administrative estimate for the department to the CalWORKs program. In other words, the \$47 million in estimated administrative spending shown in Table 2a includes neither CalFresh nor Medi-Cal. Appendix B provides a description of how the study population's share of administrative costs was estimated jointly by RES and DPSS. Please also note that the programmatic (homeless services) costs shown in Table 2a are grouped with administrative allocations in DPSS's budget but are subtracted from administrative costs in the table and elsewhere in this chapter in order to show them separately.

## 2. Social Services Estimates

Given an overall combined FY 2015-16 study population estimate of \$453.7 million for all seven County departments examined in this report, DPSS's expenditure of 344.2 million accounts for 75.9% of the County total. Close to three-quarters of DPSS's study population costs (\$254.9 million) are estimated to have provided benefits and services to children. With respect to the study population overall, the department spent an average over 12-months of \$5,592 per person, \$6,413 per child, and \$12,231 per family. As is the case in the treatment of all direct services costs examined in this report, CalWORKs and CalFresh benefits received in all months during FY 2015-16 are included in our estimate for any CalWORKs recipient identified by DPSS as homeless in at least one month during the same 12-month period. Appendix C provides some important detail on how the CalWORKs and CalFresh benefits estimates for the study population were derived and explains the rationale for the selected approach.

Figure 2b.  
DPSS Estimated Spending on  
Los Angeles County's Homeless Population, FY 2015-16



### 2.1.1. DPSS's Estimated 12-Month Expenditure on the Homeless Population Overall

From a broader perspective, we estimate that six of the seven County departments examined in this report, including DPSS, spent roughly \$981 million on homeless single adults over the same 12 months, of which DPSS accounted for approximately \$245.2 million. Appendix D tabulates the components of the FY 2015-16 single adult estimate for DPSS.

When DPSS expenditures on homeless single adults are combined with the child and family costs shown in this report, the sum of the department's costs for the two populations totals to \$589.4 million spent on the homeless population overall in FY 2015-16, with unaccompanied adults accounting 41.6% of the department's homeless spending and children and families accounting for 58.4% (Figure 2b).

The \$589.4 million DPSS spent across the two populations, in turn, comprises more than two-fifths of the \$1.43 billion we estimate seven core Los Angeles County departments spent on the homeless population overall in FY 2015-16 (i.e. spending on single adults and family members combined). DPSS's spending on families is the largest component of this overall combined estimate, accounting for 24.1% (\$344.2 million of \$1.43 billion). Within this share of overall spending, the child component of DPSS's family estimate (\$254.9 million) comprises 17.8% of the total County homeless cost for the fiscal year.

### 2.1.2. A Critical Distinction

A key distinction *within* the distribution of DPSS's estimated spending on the County's known homeless population is that virtually all of the department's expenditure on homeless children and families is net revenue from State and federal funding sources, whereas 54.2% of the DPSS expenditure on unaccompanied adults is NCC, due in large part to General Relief (GR) obligations, which reflect an almost entirely unfunded Indigent Aid mandate imposed on counties by the State of California.<sup>17</sup>

<sup>17</sup> In the CEO's analysis of DPSS's costs in providing homeless single adults with benefits and services in FY 2015-16, GR benefits, which are 100% NCC, comprise 46.7% of the \$245 million estimate shown in Figure 2b (i.e. \$114.4 million in benefits paid to the study population. The remaining NCC comes from homeless program costs tied to



## 2. Social Services Estimates

### 2.2. Programming for Families

DPSS's significance with respect to homeless families is vital not only in distributing direct monthly CalWORKs cash benefits, food stamps (CalFresh), and Medi-Cal eligibility services, but also by virtue of the department's administration of a broad array of homeless programs and prevention services. All programs shown in Table 2b

Table 2b. DPSS Homeless Program Costs for Families, FY 2015-16\*

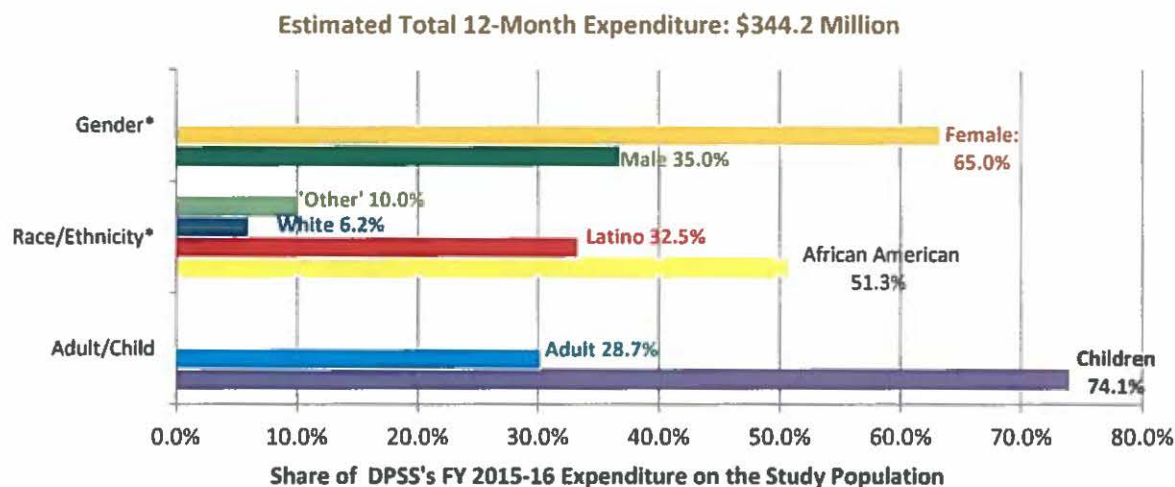
Program	Cost
Housing Support Program	\$3,941,877
Homeless Families Solution System	\$5,759,521
Emergency Assistance to Prevent Eviction	\$1,980,415
4-Month Rental Assistance Program	\$661,542
Emergency Homeless Assistance Program	12,238,530
Rental Assistance, Welfare-to-Work	3,308,539
Temporary Homeless Assistance Program	11,187,351
Housing Re-Location Program	\$4,505
<b>Total</b>	<b>\$39,082,280</b>

are funded through administrative allocations including the CalWORKs Single Allocation. The costs associated with these homeless programmatic services, all of which are added to our 12-month estimate for DPSS, was \$39.1 Million in FY 2015-16.

### 2.3. The Demographics of DPSS Spending on Homeless Families

Figure 2c presents more detail on the demographic distribution of DPSS's FY 2015-16 expenditures on the study population. Homeless programmatic costs are included in the overall estimate and distributed proportionally based on the distribution of total CalWORKs benefits receipt over 12 months. More detailed tabulation of the costs and distributions reflected in Figure 2c is provided in Table 2c.

Figure 2c. Share of DPSS Spending on the Study Population, by Demographic Category, FY 2015-16



\*Includes both adults and children

GR, as well as the single adult portion of administrative costs tied to GR. Appendix D offers more detail on DPSS's estimated FY 2015-16 expenditures on homeless single adults.

## 2. Social Services Estimates

Table2c. Estimated DPSS Study Population Costs by Demographic Category, FY 2015-16

	#	CalWORKs		CalFresh		Admin*	Program+	Overall	
		Months Receipt	\$ Total	Months Receipt	\$ Total	\$ Total	\$ Total	12-Month Estimate	% Total
Total Recipients	61,555	394,699	\$92,934,000	407,774	\$165,216,000	\$46,967,720	\$39,082,280	\$344,200,000	100
Male	23,709	149,196	\$33,827,976	142,313	\$55,182,144	\$17,096,250	\$14,225,950	\$120,332,320	35.0
Female	37,846	245,503	\$59,106,024	265,461	\$110,033,856	\$29,871,470	\$24,856,330	\$223,867,680	65.0
Latino	21,360	137,767	\$31,039,956	134,973	\$52,043,040	\$15,687,218	\$13,248,893	\$112,019,107	32.5
African-American	30,611	203,615	\$47,210,472	205,518	\$85,912,320	\$23,859,602	\$19,658,387	\$176,640,781	51.3
White	3,677	23,088	\$5,297,238	27,517	\$11,069,472	\$2,677,160	\$2,227,690	\$21,271,560	6.2
Other	5,907	30,299	\$9,386,334	39,766	\$16,191,168	\$4,743,740	\$3,947,310	\$34,268,552	10.0
Children	39,749	277,670	\$66,261,942	279,266	\$127,313,058	\$33,487,984	\$27,865,666	\$254,928,650	74.1
Adults	21,806	121,784	\$26,672,058	128,508	\$37,902,942	\$13,479,736	\$11,216,614	\$89,271,350	28.7
Families	28,141	394,699	\$92,934,000	407,774	\$165,216,000	\$46,967,720	\$39,082,280	\$344,200,000	100
^Per Family		14.0	\$3,302	**15.6	\$6,326	\$1,669	\$1,388	\$12,231	
Per Child		7.0	\$1,667	7.5	\$3,203	\$843	\$701	\$6,413	
Per Recipient		6.4	\$1,510	7.2	\$2,917	\$763	\$635	\$5,592	

\*Administrative and programmatic costs that are not parsed in the available data sources at the individual client level. For this reason, we assume the distribution of the study population's CalWORKs benefits cost by demographic category is a reasonable proxy for the group's share of DPSS administrative costs over the same period. For instance, women and girls in the study population (the *Female* row category) received an estimated total of \$59.1 million in CalWORKs during FY 2015-16, which is 63.7% of the study population's total CalWORKs receipt for the year. On this basis we assign 63.7% of the study population's estimated \$46.9 million in DPSS administrative cost to the *Female* category, i.e. \$29.9 million.

+The \$39.1 million in program costs reflect programs specifically targeted to homeless families and paid through DPSS administrative allocations. We subtract them from the administrative expenditures shown in this table in order to show them separately. The costs are distributed by category based on the distribution of CalWORKs receipt as a proportion of total CalWORKs receipt for the study population over 12 months. Example: children account for 71.4% of CalWORKs benefits paid to the study population in FY 2015-16, which is the basis for the \$27.9 Million in program costs assigned to children in our estimates.

^Average months of receipt for families exceed 12 months because multiple persons in families receive benefits

\*\*A total of 56,644 CalWORKs recipients in the study population also received at least one month of CalFresh benefits in FY 2015-16, 37,403 children and 26,115 families. These counts are the *per capita* expense divisors for CalFresh average months and benefits in this table

\*\*\*Since receipt of aid through CalWORKs during FY 2015-16 is the condition that determines inclusion of DPSS clients in the study population, CalWORKs client counts are used as the *per capita* cost divisors not only for CalWORKs benefits but also for administrative, program and overall costs.



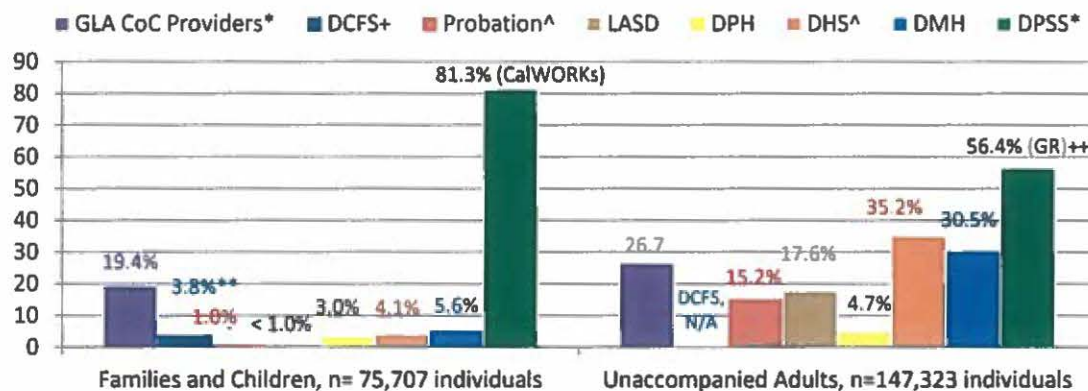
## 2. Social Services Estimates

### 2.4. The Most Critical Mainstream Services Agency for Homeless Families in the County

For more than 9 out of every 10 family members in the DPSS portion of the study population, DPSS is the only County department with which they had any known encounters in FY 2015-16. Moreover, while close to 10% of the parents, guardians and children extracted from HMIS for this report were aided through CalWORKs, only approximately 2% of the 61,555 DPSS clients in the study population received services through a GLA CoC provider recorded in HMIS during 12 months of observation.

Figure 2D is suggestive of the qualitative differences between families and homeless single adults experiencing homelessness during the course of a given 12-month period in Los Angeles County. Within our FY 2015-16 study population of homeless single adults ( $n=147,323$  persons), 35.2% used services through DHS, 30.2% used services through DMH, and 4.7% used services through DPH. In all, well over half the study population of unaccompanied adults used County health services over 12 months and more than three-fifths of the County's spending on this population over the fiscal year paid for services provided through the County's health services system, whereas DPSS touched 56.4% of the population and accounted for roughly one-quarter of the County expenditure on this population.

Figure 2D.  
Proportion of Family and Single Adult Study Populations  
Receiving Services through Seven County Agencies, FY 2015-16



\*Homeless client source agency for both study populations;

+Homeless client source agency for the family study population only;

^Homeless client source agency for the single adult study population only;

\*\*Proportion includes both children involved in foster placements and their parents/guardians.

++This proportion may be understated due to data quality issues related to DPSS's migration from the LEADER system to LRS.

Over the same 12 months, by contrast, only slightly fewer than 9% of the study population of children and families received any services or treatment through County health systems and 10.7% of the estimated total spending on this population paid for health-related services, while approximately 76 cents of every County dollar spent on these clients paid for DPSS services and benefits. The reasons for the comparatively low rates of County health utilization observed for the study population are explored in Chapter 5 but the evidence is unambiguous with respect to social services: In distributing basic income and nutritional support, as well as in establishing and administering Medi-Cal eligibility and providing a broad array of services for homeless and at-risk families, DPSS is an indispensable mainstream services lifeline and the most critical agency for this population in Los Angeles County.

### 3. Justice Estimates

This chapter examines the study population's encounters with the County's probation and jail systems during FY 2015-16. Our examination and the resulting cost estimates are based on both adults and minors but the bulk of our analysis focuses on probation youth. To complete the examination of juvenile probation, RES worked with Probation's Research Unit (RU) to obtain access to restricted data on probation youth via a research petition filed with the Los Angeles Superior Court.<sup>18</sup>

A total of 329 probation youth who experienced periods of homelessness in FY 2015-16 were identified by matching the master study population file built for this report against the full Juvenile Probation caseload for the same 12-month period. Similarly, the 588 adults in the study population who were booked into LASD jail facilities and the 420 adult probationers who were on probation over the same 12-month period, either as adult felons or AB 109ers, were identified by virtue of matches linking the study population to LASD and Probation data available to RES. A total of 75 adults in the study population were involved in both the Probation and jail systems over the course of the 12-month observation period. A de-duplicated total of 1,264 justice-involved juveniles and adults were the basis for the cost estimates given in this chapter, which total to \$13.0 Million in expenditures, of which 90% (\$11.6 Million) were Juvenile Probation costs.

#### 3.1. Justice-Related Costs

In FY 2015-16, Probation served 11,298 juveniles overall. As a child welfare agency, the department is required to ensure that youth under probation supervision have a place to reside. Should contrary circumstance arise, the department must return the youth in question to court for possible placement in out-of-home care (e.g. a group home or relative/non-relative care). This may offer part of the explanation for why none of the 329 youth in the study population were coded as homeless in the Probation caseload data to which RES gained access. Consequently, no probation youth would be available for analysis in this report in the absence of the data match linking juvenile probationers to youth in the study population identified as homeless in other data systems.<sup>19</sup>

Table 3a. Total Study Population Justice Costs, FY15-16

Offender+			Costs	
	#	% of Study Population (n=75,707)	Total	Per Person
	1,264	1.6	\$10.6M	\$8,386
		Admin	\$2.4M	\$1,904
		<b>Grand Total</b>	<b>\$13.0 M</b>	<b>\$10,290</b>
		<b>NCC:</b>	<b>\$8.2 Million (62.6%)</b>	
	#	% of Study Population	Total	Per Person
Juvenile	329	0.043	\$11.6M	\$35,273
Adult	935	1.2	\$1.0	\$1,082

While there is nothing particularly striking in the observed adult justice patterns within the study population or the costs that follow from these patterns, juvenile probation costs *per capita* offer some of the more noteworthy strands of information produced for this report. The 329 probation youth in the study population via the data match described above constitute slightly less than 3% of the department's juvenile probationer caseload for FY 2015-16 and less than one percent of the 48,748 children/minors examined in this report overall, and yet Probation's estimated cost in providing service to this small subgroup of youth was \$11.6

<sup>18</sup> Youth in the Probation data were de-identified using the same application deployed to anonymize all records used for this study, a process that strips the actual identities from the service records in a manner that nevertheless enables clients to be linked across discrete service domains.

<sup>19</sup> The department additionally notes that some of the data used occurred at periods when an appropriate residence was in process. As discussed in Appendix C, this is true of all departments included in our analysis.



### 3. Justice Estimates

million, an estimated \$35,273 per person, which places juvenile probation second in cost *per capita* for the year behind DCFS among the seven agencies examined in this report. This can be contrasted with average custody costs of \$1,755 per person among the 588 study population adults who spent time in LASD facilities during FY 2015-16 (with overall costs totaling to roughly \$1.0 Million), and average Probation costs of \$927 per person among the 420 adult probationers in the study population, with their overall Probation costs totaling to \$389,372 for the year.

#### 3.2. Juvenile Probation

Youth who are arrested may be cited and released or taken to Intake and Detention Control. Juvenile offenders are screened using the Los Angeles Detention Screener (LADS) and may be released, or they may be detained until they are required to appear in court. The average juvenile hall stay is approximately 3 weeks. Youth detained for a few hours will count as being detained for a full day in the Probation Case Management System (PCMS). Upon the decision of the court, youth may receive one of several dispositions which include but are not limited to camp community placement (e.g. 5-7 months or 7-9 months) or home on probation. The court may also order that the youth be removed from home and suitably placed in a group home, relative care, or non-relative care.

##### 3.2.1. Juvenile Expenditures Parsed Demographically

The average age for all Probation youth in FY 2015-16 was 18.1 versus 17.7 for Probation youth identified as being homeless at some point in the same 12-month period (Table 3b).

Slightly less than one-third of the full caseload versus 56% of Probation youth matched against our homeless study population was African American, while 60% of the full caseload versus 38% of those in our study population was Hispanic. Additionally, just fewer than one-fifth of the full caseload versus just over one-quarter of probation youth in the study population was female.

Table 3b. Juvenile Probation Costs, Homeless Clients and Overall, FY 2015-16

FY 2015-16, n=	Juvenile Probationers			Homeless Probation Youth		
	Overall			Youth		
	11,298			n=329		
	#	%	cost	#	%	cost
African American	3541	31.3	\$165,605,620	186	56.5	\$3,339,890
Asian	60	0.5	\$2,645,457	0	0	0
Caucasian	682	6.0	\$31,745,486	14	4.3	\$254,186
Hispanic	6762	59.9	\$316,925,771	126	38.3	\$2,264,032
Other	191	1.7	\$8,994,555	3	0.9	\$53,202
Female	2129	18.8	\$99,469,190	90	27.4	\$1,619,699
Male	9269	81.2	\$429,622,248	239	72.6	\$4,291,611
Average Age		18.1			17.7	
	#	%		#	%	
Camp Placement	465	4.2		15	4.6	
DJJ	148	1.2		1	0.3	
Home	2000	17.7		64	19.5	
Suitable Placement	650	5.7		18	5.5	
Probation Termination	1983	17.6		43	13.2	
Other Disposition	6052	53.5		188	57.1	
Prior WIC 241	1061	9.4		46	14.0	

In short, those juvenile probationers known to have experienced periods of homelessness in FY 2015-16 identified were more African American, less Hispanic and more female than the department's juvenile caseload as a whole.

### 3. Justice Estimates

#### 3.3. Study Population Juvenile Probation Costs

Our juvenile Probation estimate for the study population is based primarily on costs associated with juvenile hall, camp or suitable placement, and probation supervision (in the community). The costs associated with JJCPA/other funded services and referrals totaled \$74,907 for the study population youth (n=304). The costs associated with placement in juvenile hall, probation camp, suitable placement, and probation supervision totaled to \$11.5 Million, inclusive of administrative costs (Table 3c and 3d).

Table 3c. Study Population Juvenile Probation Dispositions FY 2015-16

Placements & Services	Total #		Day Rate	Cost		
	Youth	Days*		Total	NCC	Per person
Juvenile Hall	161	5,490	\$842	\$4,623,678	\$3,329,048	\$28,718
Camp Placement	34	4,019	\$772	\$3,103,954	\$2,234,847	\$91,292
Suitable Placement	71	11,489	\$321	\$3,689,678	\$1,771,045	\$51,967
Home on Probation	55	15,295	\$7	\$107,065	\$51,391	\$1,946
Supervision w/out Wardship	4	835	\$7	\$5,845	\$2,806	\$1,461
Subtotal	329	37,128	n/a	\$9,224,176	\$5,911,310	\$28,037
			Administrative	\$2,306,044	\$1,477,828	\$7,009
<b>Total</b>	<b>329</b>			<b>\$11,530,220</b>	<b>\$7,389,137</b>	<b>\$35,046</b>

64% NCC

\*Mean program duration was used when the actual number of program days was not available.

##### 3.3.1. Disposition Costs

The primary driver of County spending on Probation youth stems from expenditures associated with Probation placement in Juvenile Hall, probation camps and Suitable Placement. In addition, when youth are placed in home probation, costs associated with supervision are incurred. Information on Probation placements and probation supervision was derived using probation dispositions from the delinquency court records available in structured data in PCMS.

A total of 134 youth in the study population were placed in juvenile hall for 5,490 service days, generating roughly \$4.6 Million in cost. In addition, 28 youth were placed in camp placements incurring a total combined cost of \$3.1 Million, and 59 youth were placed in suitable placements which generated costs of \$3.7 Million.

The remaining dispositions, Home on Probation and non-wardship supervision (Welfare and Institutions Code Sections 725A and 654.2), incurred combined costs of roughly \$124,604. The estimated total FY 2015-16 cost of these dispositions, less administrative costs, as shown in Table 3c, was \$9.2 Million overall, of which 64.% was NCC (\$5.9 Million).

##### 3.3.2. Other Youth Services

Data on additional services for Probation youth data were obtained from the Juvenile Justice Crime Prevention Act (JJCPA) Administration operation and included files maintained by JJCPA service providers to capture the full range of costs associated with the 329 Probation youth in the FY 2015-16 study population.



### 3. Justice Estimates

JJCPA services are funded through the Board of State and Community Corrections (BSCC), which distributes Juvenile Justice Delinquency Prevention Act (JJCPA) funds throughout the State of California. A total of 304 youth identified as receiving transient type services received JJCPA and other contracted services (shown in Table 3d), and their costs over 12 months are estimated to be \$74,907.

Table 3d Services Provided to Homeless Probation Youth, FY 2015-16

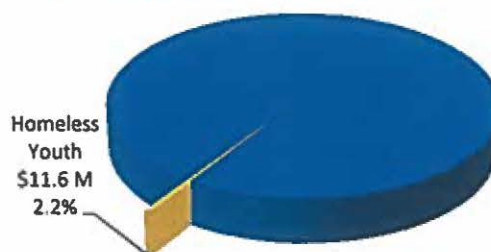
	Clients	Days	Per Day	Per \$	Per Person
Mental Health Screening	158	NA	\$19	\$3,002	\$19
Substance Abuse	3	226	\$50	\$11,300	\$3,767
School-Based High School	14	3,221	\$8	\$25,768	\$1,841
School-Based Middle School	2	471	\$4	\$1,884	\$94,304
Inside Out Writers	72	2,017	\$1	\$2,017	\$29
Multi-Systemic Treatment	1	57	\$24	\$1,368	\$1,368
HRHN Employment	6	338	\$33	\$11,154	\$1,859
HRHN Home Based	3	258	\$33	\$8,514	\$2,838
Home Based	14	550	\$18	\$9,900	\$707
Gang Intervention	1	26			
<b>Total</b>	<b>53,619</b>				<b>\$74,907</b>

#### 3.3.3. Homeless Youth Costs in Broader Context

The 329 Probation youth in our study population comprise roughly 3% of the overall population of juveniles the department served in FY 2015-16 ( $n=11,298$ ) and the estimated expenditures on this subgroup constitute 2.2% of the department's actual spending on youth offenders over the 12-month period of observation. (Figure 3b).

Figure 3a.

Juvenile Probation Expenditures on Clients Known to Have Experienced Homelessness as a Percentage of Juvenile Probation Costs Overall, FY 2015-16  
Total 12-Month Cost: \$29.1 Million



Although Probation's case management system includes a homeless (*transient*) flag, none of the youth in the caseload data RES obtained were identified as homeless. A number of research studies prepared over the past two decades, however, note the close associations between child homelessness, juvenile justice systems, and foster care systems.<sup>20</sup> While these studies are not focused on Los Angeles County, one recommendation offered in the last chapter of this report is for Probation's Juvenile Division to review the *homeless* definitions across County Departments and to examine departmental administrative data on youth in light of these definitions to ensure currently and recently homeless youth encountering the juvenile justice system are identified.<sup>21</sup> In the absence of any youth coded as homeless in the caseload data, the only juvenile probationers available for our analysis were the 329 who matched against the master study population inclusive of 48,748 youth. As noted above, these Probation youth comprise less than one percent

<sup>20</sup> Flaming, Daniel and Patrick Burns. *All Alone: Antecedents to Chronic Homelessness*. Economic Roundtable. August 25, 2015. D.P. Mears and Travi, J. Youth Development and Re-Entry. *Youth Violence and Juvenile Justice*, 2, 3-20; Murphy, Christina Murphy. *Youth Homelessness in the U.S.* American Institutes for Research, September 2013. Toro, Paul A., Amy Dworksy, Patrick J. Fowler. *Homeless Youth in the United States: Recent Research Findings and Intervention Approaches*. Paper Given at Abt. Associates' National Symposium on Homelessness, 2007, in Washington, D.C.

<sup>21</sup> Probation adds that parameters specified in RES data sharing agreements, prohibited the department from accessing records of the types of homeless services clients used and the timeframes to be able to compare with the youth population based on the Department's "homeless" definition. It should be noted that this restriction applies to all departments included in the analyses in this report.



### 3. Justice Estimates

of the minors in the study population, which research findings suggest may be under-representative of Probation youth who experience periods of homelessness in a given year.

#### 3.4. Adult Probation

RES matched adult probationer data with the overall homeless file for this study, a process which yielded 420 Adult Felons and AB 109ers during FY 2015-16. Ninety-three percent of the homeless adult probationers were Adult Felons; 8% percent were AB 109ers; 1% were in both groups. The 420 homeless adult probationers were supervised on probation for a grand total of 3,251 months in FY 15-16. The overall average monthly cost of adult probation supervision per probationer was \$100 for FY 15-16 (Directive 1388), with specialized caseloads such as narcotics or high-risk offenders incurring higher average monthly costs (\$144-\$160) and regular supervision incurring a lower monthly cost (\$55). The total expenditures calculated for study population adult probation supervision was \$325,100, which excludes projected administrative costs. The per capita cost per homeless adult probationer was \$927, inclusive of administrative costs, for a total cost of \$389,340. The NCC for probation supervision for homeless adult probationers was \$188,000 (48.3% of the total adult probation cost for the study population).

#### 3.5. Probation NCC

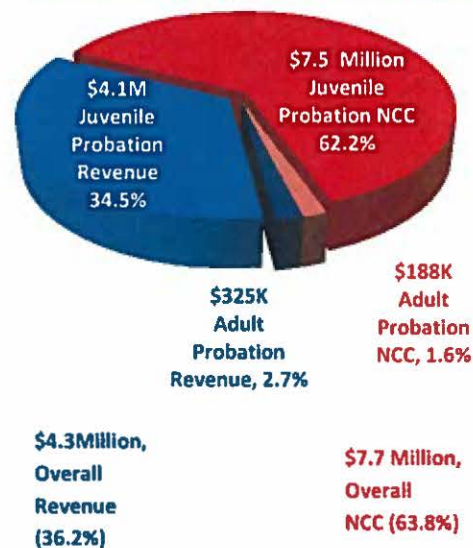
Our FY 2015-16 combined adult and juvenile Probation estimate for the study population is roughly \$12.0 Million, of which all but roughly 3.3% reflects spending on probation youth. We further estimate that \$7.7 Million of this total spending on adult and juvenile probationers was NCC (63.8%).

#### 3.6. Adult Jail and Custody Costs

In terms of adult use of County resources, the respective scale and intensity of engagement in the County's health and jail systems are the key areas of comparative distinction between family members and single adults who experience homelessness over a given period of 12 months.

As compared to 10.6% of known homeless single adults who were booked into custody at LASD jail facilities in FY 2015-16, only 2.2% of the adults in the study population were jailed in FY 2015-16. The average jail stay for the study population offenders who spent time in jail was 6.5 days and the average cumulative number of jail days was 7.7 per person. The estimated total jail cost for these offenders over 12 months was slightly more than \$1 Million, roughly half of which was Net County Cost. Bookings beyond a first booking at the individual level accounted for 29.3% of the total bookings and 23.8% of the total jail costs for the full study population (\$255,729).

Figure 3b.  
Adult and Juvenile Probation Study Population  
Revenue and NCC, FY 2015-16  
Estimated Total Expenditure: \$12.0 Million



#### 4. Foster Care Placement Estimates

This chapter presents estimates of expenditures associated with foster care placement services provided to 536 foster children and youth identified as being homeless in DCFS service records during FY 2015-16. Costs shown in Table 4a reflect calculations performed directly by DCFS at the CEO's request, which indicate that 12-month expenditures on the 536 DCFS clients in our study population, inclusive 1,571 placements and associated Child Social Worker (CSW) and Administrative costs, totaled to \$48 Million, an average of \$89,576 per child, which makes DCFS's spending *per capita* by far the highest among the seven County departments included in this report. Almost one-third of this spending (\$14.9 Million) is estimated to be NCC, which comprises 57.1% of the total NCC estimate in this report (\$26.1 million) and means that, while the clients involved comprise only roughly 1% of the children in the study population ( $n=48,748$ ), DCFS also had the largest charges to the County's General Fund among the departments examined in this report.

Additionally, we summarize efforts made to address questions posed by the PSS Commission regarding relationships between homelessness and involvement in the foster care system. To address these questions and their implications with respect to potential cost savings and cost avoidance, a dataset of close to 80,000 children and youth involved in the system dating back to the late 1990s was assembled and examined in terms of linkages to available homeless data sources dating back to 2010.

##### 4.1. Spending per Person and per Family

+Type	#Placements	# Clients	# Families
FFA Certified Home	633	186	133
Small Family Home	35	12	9
Group Home	222	62	39
Relative Home	456	117	87
Supervised Independent	41	17	12
Other/Specialized	184	53	33
<b>Total</b>	<b>1,571</b>	<b>536</b>	<b>468</b>
CSW Costs	\$4,929,600		
Placement Services	\$33,480,800		
<b>Non-Admin Subtotal</b>	<b>\$38,410,400</b>		
Administrative	\$9,602,600		
<b>Total Cost</b>	<b>\$48,013,000</b>	<b>NCC</b>	<b>\$14,884,030</b>
<b>Cost Per Child</b>	<b>\$89,576</b>	<b>Family</b>	<b>\$102,592</b>

\*Row counts are de-duplicated but numbers within columns are not.

+FFA Certified Home includes Foster Family Certified RFH (CCR) and Resource Family Home; Group Home includes Short Term Residential Therapeutic Program; Other/Specialized includes County Shelter, Court Specified Home, Tribe Specified Home and Guardian Home.

Figure 4a. Comparing Average Costs For Homeless Clients  
FY 2015-16

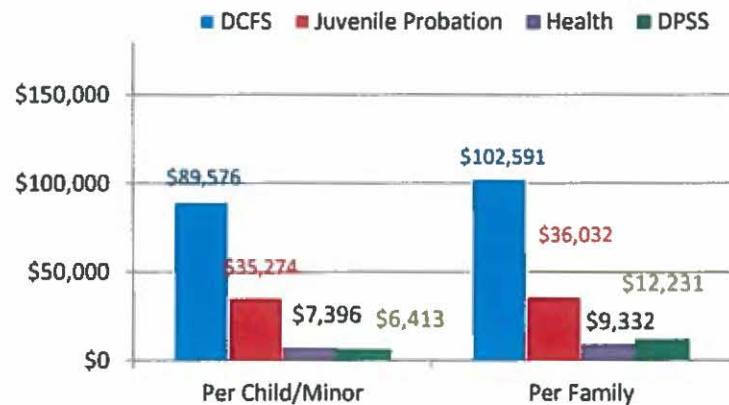


Figure 4a shows the costs per child/minor and per family in the study population for FY 2015-16. DCFS placement estimates are the highest, with costs per child that are 154% higher and costs per family that are 184.7% higher than juvenile Probation costs in these categories.



#### 4. DCFS Placements

##### 4.2. DCFS Placement Costs

DCFS does not assume custody of children in homeless families due to their homelessness *per se* but will investigate situations and can potentially take custody in cases where the homelessness of a given family puts the safety of their child or children at risk. The placement costs shown in Table 4a are comprised of two components: Child Social Worker (CSW) services and placements. RES prepared a file for DCFS's financial division consisting of all the department's clients (children and youth) and the associated families who (a) were coded as homeless during at least one month in FY 2015-16 and the associated families, and (b) placed and received Child Social Worker services during the same 12-month period. Since the administrative costs are built into the actual expenditures DCFS calculated, we show 20% of the total spending included in our estimate administrative cost.<sup>22</sup>

##### 4.2.1. How the Costs were Calculated

**CSW Costs.** The average 'fully loaded' CSW cost in FY 2015-16 was \$228,205 per client. According to DCFS budgetary information 536 clients would entail use of 27 CSWs. Multiplying the number of CSWs by the average cost per child yields the estimated CSW expenditures for the foster children and youth in the study population ( $27 \times \$228,205$ ): \$6,162,000

**Placement Costs.** The average cost per placement in FY 2015-16 was \$26,640. Given 1,571 placements, the estimate is the number of placements by the average cost per placement ( $1,571 \times \$26,640$ ): \$41,851,440

**Total Cost.** The DCFS total cost estimate for the study population is the sum of the CSW and Placement costs (\$6.1 Million+\$41.9=): \$48 Million.

**Administrative and Non-Administrative Cost.** Since the cost information DCFS shared with RES is inclusive of administrative costs, budgetary information indicates that roughly 20% of the total placement cost is administrative expenditure. Therefore the administrative and non-administrative portions of the total cost are \$38.4 Million and \$9.6 Million respectively.

**Net County Cost.** According to DCFS, 31% of the spending on placements, including the associated administrative cost is NCC. Given total placement costs of \$48 Million, the estimated NCC is therefore \$14.9 Million. (Figure 4b).

Figure 4b. DCFS Study Population  
Foster Placement Costs, FY 2015-16  
Total Expenditure \$48 Million



##### 4.3. Exploring the Predictive Relationship Between Foster Care Involvement and Homelessness

The letter from the PSS Commission to the Board of Supervisors requesting this report cites research results with the intention of underscoring the *cost savings* that could be potentially yielded if the County were able to house more homeless children and children at risk of homelessness before they become involved in the costly foster care system.<sup>23</sup> Over multiple appearances before the Commission after the May 2016 motion

<sup>22</sup> The administrative cost shown in Figure 4a is 20% of the total cost and 25% of the non-administrative subtotal.

<sup>23</sup> Specifically, the letter cites a finding published in the *Journal of Sociology and Social Work* (2003) that, '62% of children placed in Foster Care were formerly homeless', as well as a finding published by the University of



#### 4. DCFS Placements

was approved, RES was asked to include an analysis in the present report that would similarly speak to potential savings with respect to homeless and at-risk children in Los Angeles County. To state the Commission's concerns as a set of empirical questions:

- (1) *to what extent do DCFS clients experience periods of homelessness prior to their involvement in the County's foster care system?*
- (2) *Given the high cost per capita - and relatively high Net County Costs - associated with foster placements, what are the potential cost savings or cost avoidance implications of any observed correlation or predictive relationship between homelessness and involvement in the foster care system?*

##### 4.3.1. Barriers to Adequately Addressing the Commission's Questions

A fully satisfactory effort to address these questions necessitates building a comprehensive historical dataset of children who experience periods of homelessness covering multiple years. Such a dataset can be built, in theory, through a process similar to that which was deployed to build the study population for this report:

- Homeless children in CalWORKs, HMIS and DCFS placement records could be merged and de-duplicated.
- The resulting dataset could then be linked to DCFS records and analyzed to determine (a) the extent to which foster youth have spells of homelessness prior to their foster care system involvement, and (b) the predictive or statistical strength of the relationship between child homelessness and subsequent foster care system involvement.
- The patterns observed could then inform an analysis of potential costs avoided through interventions that successfully divert homeless children from the foster care system.

RES assessed the feasibility of building such a historical child homelessness dataset and conducting the analysis needed to address the Commission's questions. Several interrelated barriers were identified:

- Although RES can access data on children in HMIS from 2010 onwards, these records are not sufficiently exhaustive prior to 2015.
- DCFS records identify homeless children but the elements needed to determine how long they were homeless prior to their involvement in the foster care system are not available to RES.

To provide a sense of the impact of these issues, a test dataset of close to 80,000 children in the County foster care system from the 1990s onwards was built simply to determine the degree of overlap with available family and single adult data sources covering the period from 2010 through August 2017:

- A total of slightly less than 4,000 children in the DCFS caseload data (less than 5%) was also located in the homeless sources.

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Pennsylvania (2004) that '40% of children who are homeless more than 90 days enter foster care versus only 10% who are homeless for less than 90 days. Culhane, Jennifer F. et al.' Prevalence of Child Welfare Services Involvement Among Homeless and Low Income Mothers', *Journal of Sociology and Social Welfare*. September, 2003, v. 30, Issue 3; Pak, Jung Min and Dennis P. Culhane, 'Child Welfare Involvement among Children in Homeless Families.' University of Pennsylvania, October 1, 2004.

#### 4. DCFS Placements

- It is important to note that the overlap would be considerably smaller if RES limited the data match to children whose homeless episodes took place during or prior to their involvement in the foster care system.
- The proportions are considerably lower than what is reported in the research cited by the Commission and the data-related issues noted above prevent an assessment of whether divergent patterns prevail in Los Angeles County or if the lower match rate is itself an effect of the data gaps.

##### *4.3.2. The Questions Require a Separate Study*

These problems could be addressed given sufficient time to work with DPSS, DCFS and LAHSA to address data gaps. However, the magnitude of the effort involved forms the second barrier preventing this analysis from being performed for the present report. The time and work needed to build and validate the required dataset and then systematically answer the PSS Commission's questions essentially amount to a separate study, one of similar size and scope to the present report.

One conclusion that can be drawn here, however, is that the estimated FY 2015-16 DCFS study population costs shown in this report – \$48 Million overall and almost \$90,000 per child - leave little doubt that significant savings could result if more children were diverted from the County's child protective system. The implications of this with respect to County efforts to combat homelessness are discussed in the concluding chapter to this report.

## 5. Health Estimates

Health is the final service domain examined in this report. This chapter specifically looks into services delivered during FY 2015-16 to the study population through DMH, DHS and DPH, the three departments comprising Los Angeles County's Health Agency. The estimated combined cost of the services provided to the study population was \$48.5 million over 12 months. Slightly more than 57% of the combined departmental expenditures provided services and treatment to children/minors. (Figure 5a.i).

DMH's financial involvement with the study population in FY 2015-16 was comparatively intensive. The 4,213 DMH patients examined in this chapter comprise more than three-fifths of the County health patients in the study population and the 2,279 children within this group of DMH patients comprised almost 65% of the children in the study population who received County health services over the 12-mnth observation period.

By extension, the \$33.7 million DMH spent on the study population accounts for approximately 70 cents of every dollar in our \$48.5 Million County health estimate for the Fiscal Year and encompasses roughly 82 cents out of every dollar in health spending on children in the study population (\$23 million out of \$27.9 million). DHS accounts for more than one-fifth of the health expenditures, and DPH accounts for 9%. Table 5a presents summary detail on the study population's County health costs during FY 2015-16.

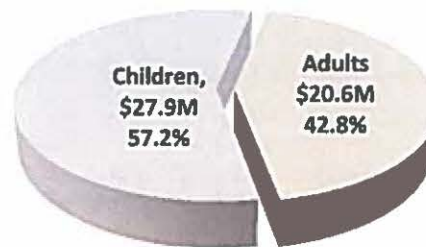
### 5.1. Actual and Imputed Patients

Health spending estimates for this report's study population are based on a unique total of 6,211 persons in the study population with records of direct services received through at least one of the three County health departments, as well as an *imputed* 572 additional children included for reasons described below. With estimated overlaps of patients across the three departments, the resulting patient population consists of 6,716 *actual and imputed patients*, which amounts to 9% of the full study population ( $n=75,007$ ). The 3,550 actual and imputed children included in this count, comprise 52.9% of the patients who used any County health related services in the 12-months of observation ( $n=6,716$ ) and 7.3% of the children in the study population overall ( $n=48,748$ ). The 5,194 families associated with the individual patients examined in this chapter constitute 15.3% of the families in the overall study population ( $n=34,002$ ).<sup>24</sup>

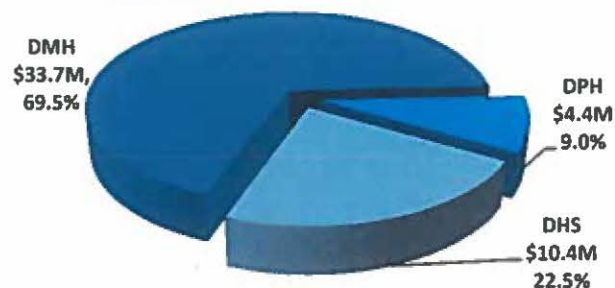
<sup>24</sup> The imputation adds to the number of individual health services users factored into our health analysis and estimates, but does not add to the number of families or to the size of the overall study population.

Figure 5a.  
Los Angeles County's FY 2015-16 Health Spending  
on the Study Population,  
Total Expenditure: \$48.5 Million

**5a.i. Distribution of Total Expenditures  
between Adults and Children**



**5a.ii. Distribution of Total Expenditures  
By Department**





## 5. Health Estimates

	Client Counts			Direct Services		Programs		Admin+		NCC	
	Persons	Children	Families	\$	%	\$	%	\$	%	\$	% Health NCC
DMH	4,213	2,279	3,537	\$26,172,667	71.4	\$4,551,814	67.6	\$3,009,857	60.3	\$654,472	21.2
DHS	2,317	1,160	2,060	\$8,638,360	23.4	n/a	n/a	\$1,727,672	34.6	n/a	n/a
*DPH	520	572	514	\$1,876,069	5.2	\$2,244,035	32.4	\$250,620	5.1	\$2,436,975	78.8
<b>Total</b>	<b>6,211</b>	<b>3,045</b>	<b>5,194</b>	<b>\$36,687,096</b>	<b>100</b>	<b>\$6,795,849</b>	<b>100</b>	<b>\$4,988,149</b>	<b>100</b>	<b>\$3,091,477</b>	<b>100</b>
<b>Imputed</b>	<b>6,716</b>	<b>3,550</b>	<b>5,194</b>	<b>\$36,687,366</b>	<b>100</b>	<b>\$6,795,849</b>	<b>100</b>	<b>\$4,988,149</b>	<b>100</b>	<b>\$3,091,477</b>	<b>100</b>

	Departmental Costs			Persons		Children		Families		%	
	Persons	Children	Families	%	Dept. Cost	%	Dept. Cost	%	Dept. Cost	Total Study Cost (\$89M)	Total Study NCC (\$24.8M)
DMH	\$33,734,338	\$23,048,204	\$33,734,338	69.5	\$8,007	82.6	\$10,113	68.5	\$9,538	5.6	2.6
DHS	\$10,366,032	\$3,619,485	\$10,366,032	21.4	\$4,474	13.0	\$3,120	22.1	\$5,032	1.7	n/a
*DPH	\$4,370,724	\$1,243,301	\$4,370,724	9.1	\$4,002	4.4	\$2,174	9.3	\$8,503	0.07	9.7
<b>Total</b>	<b>\$48,471,094</b>	<b>\$27,910,990</b>	<b>\$48,471,094</b>	<b>100</b>	<b>\$7,217</b>	<b>56.1</b>	<b>\$7,396</b>	<b>100</b>	<b>\$9,332</b>	<b>8.1</b>	<b>12.3</b>

\*The 572 children shown in the DPH row are *imputed*. The reason for the imputation is discussed further below in the analyses of health costs. The Total row shows the cost totals and distributions without the imputation; the *Imputed* row shows the costs and distributions inclusive of the imputation.

+DMH and DHS administrative spending for FY 2015-16 is based on patterns observed in budgetary material prepared by the CEO budget office, including actual expenditures. In the case of DHS, we use FY 15-16 averages per service or per hospital day, which is provided in a workload cost sheet the department makes available to us. According to DHS, the averages shown in the worksheet are inclusive of administrative costs equal to 20% of direct services costs. To show DHS administrative spending separately in this table, we calculated the total cost for the study population based on the rates in the department's workload cost sheet and then performed the computation to estimate the non-administrative +administrative portions of the total cost.

^The 1.2 Million in estimated expenditure shown for DPH in the *Children* column is the presumed spending associated with the 572 *imputed* children factored into the DPH estimates. These imputed children are included in all the relevant *per capita* estimates shown in this row. The imputation is discussed in more detail below.

## 5. Health Estimates

### 5.2. How Exhaustive are the Health Estimates?

One of the most significant findings in the health analysis conducted for this report is that more than 90% of the study population did not use any *County* health services over 12 months of observation, as compared to more than half of the roughly 150,000 homeless single adults known to the County who used such services over the same period. Two factors, which are not mutually exclusive, offer the most likely explanations for the less pervasive health services use within the study population assembled for this report. One is the distinct demographics of the two groups. The family member population is comprised of parents and their dependent children. Persons in this population, in the aggregate, are younger, homeless for shorter periods of time and - all else being equal - are less likely to have serious chronic physical and mental health ailments often associated with lengthy periods of homelessness. These factors, in turn mean less frequent use of specialty mental health and substance use services.

Secondly, although Medi-Cal eligibility services are provided by the County through DPSS, recipients of these services are not required to address their health needs through County providers (i.e. those affiliated with DHS, DMH or DPH). Homeless single adults are generally enrolled with DHS as their Medi-Cal managed care provider more frequently than is the case among CalWORKs families and health-related services provided outside the County's healthcare system during the 12-month observation period are excluded from our estimates, not only because they are not County gross costs, but more basically because these services are not recorded in the data available to the CEO in producing a health estimate. It must therefore be emphasized that the estimated \$48.5 million in County *health spending* on the children and families examined in this report by no means exhausts the study population's use of health and medical services, but is rather limited to services and treatment *provided through the County's healthcare system*.

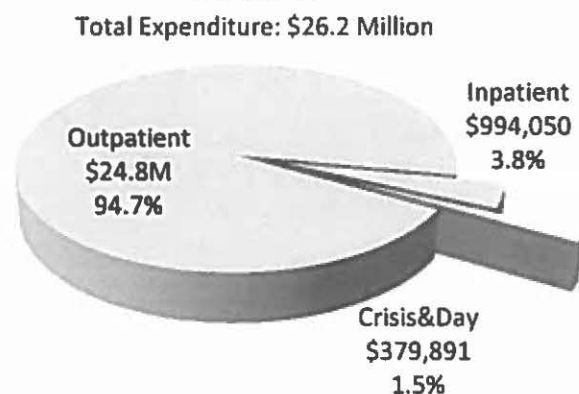
### 5.3. DMH Costs

A total of 4,213 patients, 5.6% of the study population, received services through DMH during FY 2015-16. Children comprise 54.1% of this population of DMH patients and the 3,537 families to which the children and adults in the population are attached constitute 10.4% of the families in the overall study population. DMH's 12-month expenditures on study population patients, inclusive of direct services, administrative spending and programmatic costs, total to an estimated \$33.7 Million, with average costs of \$8,007 per person, \$10,113 per child and \$ 9,538 per family. We estimate that 1.9% of DMH's total spending on the study population over the Fiscal year was NCC (\$654,472).

#### 5.3.1. DMH Direct Service Use

Of the \$26.2 million DMH spent on direct mental health services for the study population, \$24.8 million (94.7%) was used for *routine* outpatient service i.e. not including crisis stabilization or day services (Figure 5b). More specifically, 98% of DMH's costs for the children in the study population were outpatient expenditures and these children accounted for 68.6% of the study population's total outpatient cost for the year.

Figure 5b.  
The Study Population's DMH Direct Services Costs,  
FY 2015-16



## 5. Health Estimates

### 5.3.2. DMH Programmatic and Administrative Spending

DMH administers multiple programs serving homeless families. These programs and their FY 2015-16 costs, which total to a combined \$6.3 million, are shown in Table 5c. DMH conducted analysis of departmental records on our behalf and determined that, with the exception of selected housing benefits for TAY and families financed through Full Service Partnership flexible housing Subsidies, the costs shown in Table 5b would be included in other costs shown in this report - both those of DMH and of other departments - and that an effort to quantify the portion of the costs not included elsewhere would amount to guesswork.

Table 5b DMH Programs for Homeless Families and Youth, FY 15-16	
Program	Cost
Housing Assistance, TAY Emergency Shelter Program	\$905,000
Housing Assistance, TAY Drop-in Centers	\$750,000
DiDi Hirsch Mental Health Center	\$570,880
Special Services for Groups	\$406,250
CalWORKs Specialized Homeless Services	\$1,500,000
Temporary Shelter Program	\$2,179,620
<b>Total</b>	<b>\$6,311,750</b>

\* Includes administrative costs

The department approximates that \$4.6 million in additional programmatic costs should be added to the larger FY 2015-16 DMH spending estimate.<sup>25</sup> We estimate the study population's share of DMH administrative spending in FY 2015-16 to be approximately \$3 million. The combined administrative and programmatic expenditure is therefore estimated to be \$7. 6 Million, 22.6% of DMH's total expenditure on the study population for the Fiscal Year.

## 5.4. DHS Costs

The portion of the study population using DHS services during FY 2015-16 is significantly smaller than those using DMH services. The 2,317 DHS patients over this 12-month period of comprise 3.1% of the overall study population, roughly one-third of the population's health patients, and incurred estimated costs of \$10.4 Million through the department. The 1,160 children receiving treatment via DHS constitute 2.4% of the children in the population.

### 5.4.1. DHS Spending by Service Type

Given a total of 2,317 DHS patients over 12 months, the combined total cost of the services used, \$ 10.4 million, inclusive of administrative spending, amounts to an average of \$4,474 per patient. The average cost for children is roughly 30% lower (\$3,120). Although slightly less than 11% of the DHS patients in the study population received inpatient services over the 12-month observation period, these services account for 43.3% of the study population's total cost. Roughly three-quarters of the DHS patients in the study

<sup>25</sup> The process of determining the portion of these costs that can be added to our 12-month estimate is made more difficult than usual by several factors. Four of the six programs shown are not specifically targeted to homeless families and children, which means that a *pro rata* adjustment must be made to the total cost so as to not overstate the portion of these funds that serve homeless clients. If this were the only challenge, a number of options are available for making the needed adjustment. However, a second complication, which in some cases co-occurs with the first, is that some of the costs shown in the table are already included in either the DMH direct services cost discussed in the previous section, or in the administrative costs to be discussed below. A third challenge is that a portion, if not all, of some of the costs with certain DMH programs are already be captured in the administrative costs of other departments, the clearest example of this being the \$1.5 Million spent on CalWORKs Specialized Homeless Services, which overlaps with the DPSS programmatic and administrative expenditures for the same Fiscal year. With these considerations in mind, it should be re-emphasized that the \$4.6 Million in program cost added to out DMH



## 5. Health Estimates

**Figure 5C**  
DHS Study Population Expenditures, FY 2015-16  
**Estimated Spending: \$10.4 Million**

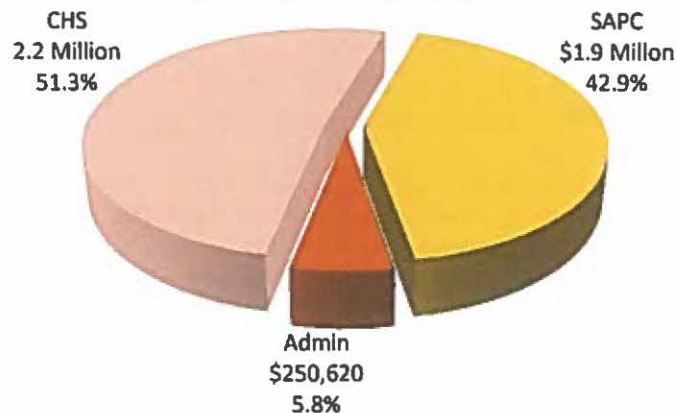


population received outpatient services, the overall cost of which comprises less than 40% of the DHS total. The department's emergency services were used by 36.5% of the study population's DHS patients and their total costs accounted for 17.3% of the DHS 12-month total (Figure 5c).

### 5.5. DPH Costs

Our DPH estimate consists of services provided through the department's Substance Abuse Prevention and Control Program, as well as FY 2015-16 costs the department shared with us for the Community Health Services (CHS) program. CHS encompasses the MLK, Jr. Health Center, the Leavy TB clinics, the Ruth Temple Health Clinic, and CHS Pharmacy Services, among other resources. Since individualized services records are not available for CHS, we can only work with an aggregated program cost.<sup>26</sup>

**Figure 5D.**  
The Study Population's DPH Estimate,  
by Cost Type, FY 2015-16  
**Total Expenditure: \$4.4 Million**  
**\$2.4 Million NCC (55.8%).**



#### 5.5.1. An Atypical Cost Distribution

The study population's actual and assumed relationship to the two components of our DPH estimate - SAPC services and CHS - generated costs totaling to \$4.4 Million in FY 2015-16. The distribution of these costs differs somewhat from patterns observed for other departments in that programmatic costs (i.e. those associated with CHS) are the largest component of the department's estimated spending on the study population (51.3%), followed by direct services provided through SAPC (\$42.9%), and the associated CHS and SAPC administrative costs (5.8%).

Moreover whereas the typical pattern encountered in examining costs associated with County services used by families and children is spending patterns that are driven by State and federal revenues, close to

<sup>26</sup> However, DPH made significant efforts to provide RES, as much as possible, with the portion of CHS costs that specifically encompass homeless clients.

## 5. Health Estimates

56% of the DPH estimated 12-month costs for the study population are NCC largely because CHS expenditures, which are 100% NCC.

### 5.5.2. SAPC

Table 5d shows the direct service and associated administrative costs for those in the study population who received services through SAPC during FY 2015-16. The services are primarily treatment and detox episodes and their estimated cost totals to just under \$2 million.

Table 5c.. DPH/SAPC Expenditures on the Study Population, FY 2015-16

	Pts	Service Days	Costs		
			\$	Per Unit	% Total
Residential	192	15,357	\$1,768,967	\$9,213	84.2
Narcotic/Detox	82	5,602	\$96,010	\$1,171	4.6
Outpatient	324	38,086	\$1,1091	\$34	0.5
Direct Service Subtotal	520	59,038	\$1,876,069	\$3,608	89.3
*Administrative Subtotal	520	59,038	\$121,944	\$240	10.7
<b>SAPC Total (Adults)</b>	<b>520</b>	<b>59,308</b>	<b>\$1,998,013</b>	<b>\$3,842</b>	<b>100</b>
			<b>NCC<sup>21</sup></b>	<b>\$64,264</b>	<b>3.2</b>

\*According to material prepared by the CEO Budget Office, \$58.1 Million were allocated for administration of DPH programs totaling to \$887.9 Million in allocations (the sum of the allocations minus the administrative costs. In the absence of more direct information, we therefore assume that SAPC administrative cost for FY 2015-16 would be equal to  $(58.1/887.9) \times 6.5\%$  of the direct services cost, which is the proportion reflected in this table.

Table 5d. DPH/CHS Cost Components, FY 2015-16

<b>Community Health Services Total</b>	<b>\$2,372,711</b>
CHS Component	Cost
Ruth Temple Health Center, STD Clinic	\$7,855
Pharmacy	\$6,317
Pharmacy and SS by Facility	\$16,041
CHS MLK	\$481,105
CHS Leavy	\$663,951
Central Health Center	\$1,068,766
CHS Administration	\$128,676
<b>NCC:</b>	<b>\$2,372,711 100%</b>

unexpected to find that the department's spending on the study population comprises only 9.1% of the estimated \$48.5 Million in County health spending on the population overall.<sup>27</sup> At the same time, however, what is perhaps unexpected, at least to those unfamiliar with the department's operations, is the comparatively high proportion of discretionary dollars (NCC) included in the DPH estimate, more than half. The department's comparatively small size, in other words, should not obscure the *relative magnitude of its role in providing health services to homeless families*.

Roughly 37% of the SAPC patients in the study population received residential treatment and the \$1.8 million spent on these services accounts for 94% of the study population's direct SAPC service costs and 88% of their SAPC costs overall. While SAPC has informed us that 0% of the direct services rendered through its contracted providers are NCC, we estimate that 52.7% of the administrative cost was NCC (\$64,264), which is 3.2% of the SAPC spending shown in Table 5c overall.

### 5.5.3. CHS

CHS's estimated spending on the study population is roughly \$2.4 Million. Table 5d shows the components of this total cost for the fiscal year.

Considering the size of DPH's annual budget compared to those of DHS and DMH, it is not

<sup>27</sup> DPH's FY 2015-16 gross total budget was \$946 Million. By comparison, DHS's budget in the same year was \$4.81 billion and DMH's was \$2.21 Billion.



## 5. Health Estimates

### 5.5.4. DPH Cost per Adult and Cost per Child

When participant counts are not available for the departmental programs included in our analyses and estimates, the methodology used to incorporate the costs associated with these programs is to assume that clients identified in matches against *individualized* direct services data are also the clients using the programmatic services for which there is no other possible 12-month tally of clients. Without any adjustment, however this method will inflate costs *per capita* for DPH because the SAPC data available to us is limited to services and treatment provided to adults.

More specifically, if we add the \$2.4 Million in CHS expenditures to our estimate while the divisor used to estimate the department's *per patient* costs is based on SAPC, then costs for a program that provides services to children and adults in families (CHS) are parsed by only adults in families (SAPC), which will result in an overstatement. To address this complication, some imputations and adjustments are made that factor an additional 572 children into the DPH estimates. The basis for this addition is described in the notes for Table 5e. The table itself shows that DPH's cost per study population patient was \$4,002 (\$6,014 for adults, \$2,174 for children).

Table 5e. DPH FY 2015-16 Costs for Study Population Adults, Minors and Overall.

	CHS			SAPC			DPH Overall <sup>+</sup>		
	Pts*	Costs+	Cost Per Pt	Pts	Costs	Cost Per Pt	Pts	Costs <sup>+</sup>	Cost Per Pt
Total	1,092	\$2,372,711	\$2,173	520	\$1,876,069	\$3,608	1,092	\$4,370,724	\$4,002
Adults	520	\$1,129,410	\$2,172	520	\$1,998,013	\$3,842	520	\$3,127,423	\$6,014
Minors	572	\$1,243,301	\$2,174	Data Unavailable			572	\$1,243,301	\$2,174
NCC		\$2,372,711, 100%			\$64,264, 3.2%			\$2,436,975, 55.8%	

\*The 520 adults shown in this table are actual SAPC service users observed in the program's utilization records. These adults are also used as a proxy for adults who received services through CHS during FY 2015-16 since there are no individualized program records available to RES for this program. The 572 children shown in the table are added to the DPH population by virtue of an imputation for purpose of producing a more reliable cost *per capita* estimate ....Since records SAPC services provided to persons under the age of 18 are not available to RES for use as a proxy of children receiving service through CHS, we looked to the ratio of children to adults among the DMH and DHS patient populations ( 1.1:1) for guidance based on children and adult patients in both subpopulations merged and de-duplicated. Applying this ratio to the adults shown in the table implies (520 adults\*1.1=) 572 children.

+Given a presumed population of 1,092 CHS patients, 520 of which are adults (47.6%), we assign the \$2.4 Million in cost proportionally (i.e. 47.6% of the cost to the 520 adults (\$1,129,410) and the balance to the 572 children's proxy (\$1,243,301). In calculating the study population's DPH costs *per capita*, the adult estimate consists of 100% of the SAPC costs and 47.6% of the CHS costs. The child portion consists of 52.4% of the total CHS costs.

## 5.6. Health NCC

Our calculations additionally suggest that \$3.1 Million of the estimated \$38.1 million DMH and DPH spent on the study population combined in FY 2015-16 (8.1%) was NCC. Put differently, \$1.00 out of every \$12.20 the two departments spent on families and children was charged to the County's General Fund.<sup>28</sup>

<sup>28</sup> For reasons described earlier, an NCC estimate could not be produced for DHS.



## 6. Conclusion

The 75,707 family members in the study population constructed for this report comprise roughly one-third of the individuals Los Angeles County knew to have experienced periods of homelessness in FY 2015-16 (i.e. 75,707 family members + 147,323 single adults = 223,030 individuals). The seven departments included in our 12-month analysis of children and families spent an estimated \$453.7 million on the study population, which constitutes almost one-third of the \$1.43 billion in gross County spending on persons who were homeless at some point over 12 months. By comparison with County costs associated with homeless single adults, which averaged to \$6,658 per person in FY 2015-16, average County spending on homeless family members (\$5,993) was 10.1% lower. Focusing more specifically on children, however, the \$6,925 average cost per child shown in this report is 4% higher than the average cost per single adult.

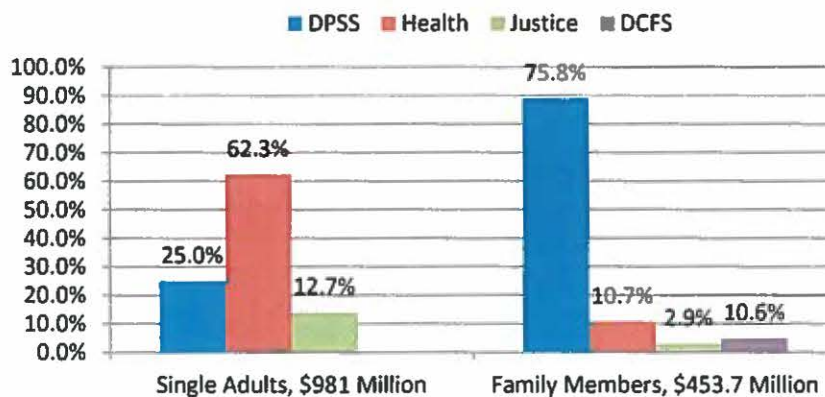
### 6.1. The Centrality of DPSS for both Homeless Populations

DPSS is a critical life support system for both segments of the County's homeless population, single adults and families. Roughly 81% of the family members examined in this report were in CalWORKs-aided households for all or part of 12 months of observation. A considerably smaller but nevertheless sizable portion of the FY 2015-16 homeless single adult population received benefits and services through DPSS (56.4%) and, as explained in Appendix D, the data used for the single adult analysis may understate this utilization to an indeterminate degree. However, the most important difference across the two populations *vis à vis* DPSS is that, while cash benefits, Food Stamps (CalFresh), and homeless-related services account for roughly 76% of the total 12-month expenditure on the study population built for this report, costs associated with these benefits and services comprise only about one-quarter of County spending on homeless single adults over the same period. At the same time, GR benefits for single adults are 100% NCC whereas CalWORKs benefits for families are 100% revenue.

### 6.2. Divergent Patterns with Respect to Justice and Health Costs

Beyond a mutual and general reliance on DPSS, the observed utilization patterns diverge significantly across the two populations. Figure 6a shows the differences in the distribution of total 12-month cost by service domain.

Figure 6a.  
Comparative Distribution of County Spending on Homeless Single Adults and Family Members in FY 2015-16



## 6. Conclusion

### 6.2.1. Available Information on Health Utilization and Spending is Limited for Families

By comparison with single adults, a significantly larger portion of family members use non-County Medi-Cal providers to address family health needs. Services and treatment episodes rendered through such providers are recorded in data not available to the CEO. This is an important detail to underscore insofar as readers might otherwise be left with the impression that roughly 95% of the study population did not receive *any* health services over the 12-month period of observation. The proportion in receipt of such services outside of County governance is not knowable to the CEO given the information that can be readily accessed by the RES. As will be discussed further below in this chapter, the information gap on health services use could be addressed through strategic partnerships that would allow County policymakers to obtain information extracted from State-level Medi-Cal records.

### 6.3. The Relevance of How Homelessness is Defined

For purposes of making resources available to homeless public school students through the McKinney-Vento Homelessness Services Act, the federal government defines child homelessness in a manner considerably *more inclusive* than the HUD *literal homeless* definition. Specifically, the definition embedded in the legislation includes children who *lack a fixed nighttime residence and children who are doubled up* as a result. Typically approximately 85% of LACOE's annual count of homeless public school children consists of those who are 'doubled up,' which is significant in the present context in that a doubled-up housing situation does not meet the HUD literal homeless definition and is, at least in practical effect, potentially even more inclusive than the DPSS/DCFS proxy approach to homeless identification because children who are doubled up may appear in DPSS records with a residential address and no further qualitative details to indicate their specific housing circumstances.

#### 6.3.1. The LACOE Count and the CEO's Cost Estimates

Using data that school districts in Los Angeles County's 88 cities and unincorporated areas are mandated to collect under the terms of the McKinney-Vento law, LACOE produced a point-in-time count of 62,931 homeless children June 2016. This tally is not comparable with the number of homeless children in the FY 2015-16 study population assembled for this report, which is not a point-in-time count but rather reflects persons who were under 18 on July 1, 2015 and who were identified in source data as being homeless at any point between July 1, 2015 and June 30, 2016. It is nevertheless instructive that, while a point-in-time count would typically be expected to be smaller than a cumulative annual count, LACOE's point-in-time count is higher than the study population count for this report by 14,183 minors, a difference of 29.1%.

Leaving aside questions of comparability, the data used by LACOE to produce counts of homeless students are owned by the school districts and are not accessible to the CEO. If these data were to be made available for analysis, as will be discussed in the recommendations section below, a more precise alternative set of cost estimates might be produced for comparative purposes, provided the school data could be prepared in the same de-duplicated monthly fashion as the data used for the RES estimates. The key point in the present context is to emphasize that the manner in which inclusion in the population is defined and its resulting size is immediately relevant to the cost estimates produced.

## 6.4. Recommendations

To be responsive to directions in the May 24, 2016 Board motion instructing the CEO and core departments to produce a plan for deploying ongoing resources to house homeless children, the



## 6. Conclusion

following nine recommendations consider the relevance and utility of the information presented in this report for countywide efforts combat homelessness among children and families.

- The Board and the CEO might consider directing RES to examine the operational implications of the comparatively distinct patterns of service use observed among children and families. Specifically, what do these patterns suggest in terms of the types of interventions that are most appropriate for the family member segment of the homeless population?

Outside of the County social services they use, aggregate spending on homeless family members is lower by comparison with single adults. Moreover, the data on families and children do not generally reveal the kinds of inefficient utilization patterns observed among single adults. Other than DPSS, the core County departments for families and children experiencing homelessness, at least in terms of *per capita* spending, are DCFS (\$89,576 per child/minor) and Probation (\$35,046 per minor). Although the two departments combine to account for about \$1 out of every \$5.65 spent on the children and minors in study population (\$59.6 million of \$337.6 million), those they served comprise less than 2% of the population's children and minors.

*No High-Utilizer Group among Homeless Families:* By contrast, the core departments serving homeless single adults other than DPSS are DHS, DMH and LASD. The nature of their encounters with these adults is characterized by patterns of use that are, in comparative terms, significantly broader and more intensive. The differences in utilization of County health and medical services point to the question of high-cost, inefficient homeless service use and spending, which is well-known among researchers who focus on homelessness but which also appears to be *specific to homeless single adults*. While research conducted by RES shows that a small slice of high-acuity homeless single adults in a given year will typically account for a heavily disproportionate share of the County's total spending on this population, there is no similar phenomenon observed among families and children.

These distinctions suggest that homelessness among children and families can be framed as a qualitatively different phenomenon than homelessness among single adults.<sup>29</sup> The available evidence shows that family members are homeless for shorter periods of time than homeless single adults and, partially as a consequence of this, family members do not face the same chronic physical and mental health problems observed among homeless single adults, nor do they find themselves involved with justice systems to nearly the same degree. From a fiscal point of view, moreover, 5.9% of the County's costs associated with services used by homeless families are funded with NCC, as compared to expenditures on homeless single adults, where approximately one-third of the costs are among those departments for which a NCC estimate is possible are changed to the County's general fund.

Delivering services to clients more efficiently so as to optimize the effectiveness of limited resources is a key principle orienting Los Angeles County's coordinated strategies to combat the homeless crisis. The distinctions described above, however, suggest that this aspect of the County's approach to the crisis is more applicable to homeless single adults than to homeless family members.

- Place more emphasis on prevention than on cost effectiveness and efficiency in the provision of services to homeless children and families.

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<sup>29</sup>Support for viewing them as distinct phenomena: the *homeless* definition built into federal legislation intended to support homeless children is different and considerably more inclusive than the *literal homeless* definition HUD uses as its criteria for access to services provided through the agency's Continuum of Care.



## 6. Conclusion

The countywide approach to the homeless crisis includes four prevention strategies relevant to families and children: *Homeless Prevention Program for Families* (Strategy A1), *Discharge Planning Guidelines* (Strategy A2), *Housing Authority Re-Unification Program* (Strategy A3), and *Discharges from Foster Care and Juvenile Probation* (Strategy A4). Given the less intensive use of County services among homeless children and families, prevention on behalf of those at risk of homelessness potentially takes on added importance and may be a more appropriate orienting principle than cost effectiveness and efficiency in making interventions on behalf of children and families.

- Consider instructing DPSS and RES to work collaboratively in conduct research exploring the degree to which homeless single adults experience episodes of homelessness as children/minors.

Analysis showing that those who experience homelessness as minors are more likely to similarly experience homelessness as adults would provide a potentially beneficial bridge linking efforts made on behalf of both families and single adults. To the degree that available data point to a strong predictive relationship, efforts to avoid the costs associated with single adult homelessness would increasingly synergize with Strategies A1 through A4 cited above. DPSS would appear to be the most appropriate choice as a co-lead agency working with RES in conducting/sponsoring this research given the richness of the department's administrative data and its operational reach into the County's populations of both homeless family members and single adults.

- Explore the availability of funding and resources that would enable the CEO to work with academic partners in deploying predictive modeling to address the PSS Commission's interest in the relationship between child homelessness and involvement in the County's Foster Care System.

The CEO is currently working with academic partners to test the value of data-driven predictive methodologies to enhance efforts to prioritize the most vulnerable elements of the homeless population for housing and supportive services. The analytic methods in question would add an increasingly preventive dimension to prioritization in identifying high-acuity homeless individuals more *prospectively*. The assessment of these methods has thus far been limited to the prioritization of homeless single adults, but if resources can be made available to expand the exploratory scope of these efforts, the predictive capacities of the methods could be applied to more adequately address the PSS Commission's interest in the relationship between homelessness and subsequent involvement with DCFS.

The academic specialists working with the CEO to test the applicability of predictive methods to efforts to combat the homeless crisis are well positioned to provide valuable guidance in constructing the datasets that could not be built with the resources and time available to complete the present report, especially the needed historical dataset of children in the County who have experienced homelessness. As described in Chapter 4, this dataset would then be linked to DCFS records and analyzed to determine (a) the extent to which foster youth have spells of homelessness prior to their foster care system involvement, and (b) the predictive or statistical strength of the relationship between child homelessness and subsequent foster care system involvement.

Applying predictive methods to address the Commission's questions about whether periods of homelessness are more likely to lead to involvement in the foster care system would represent a large and complex extension of the CEO's current work in exploring the potential value to be added by these methodologies. An expansion on this scale would, in turn, require funding and staffing resources. The

## 6. Conclusion

resulting explorations, however, could enhance efforts to combat child homelessness significantly and should therefore be carefully considered by the CEO and relevant stakeholders.

- Assess the degree to which contracted mental health providers can play a supportive role in Homeless Initiative strategies relevant to children, youth and families who are homeless or are at risk of becoming homeless.

DMH's encounters with 5.6% of those in our study group of homeless family members (roughly 1 of every 18 persons) was the most frequently utilized department for this population outside of DPSS. The \$33.7 million spent on 4,213 DMH patients in the study population, 2,279 of which were children (54.1%) accounts for 7.4% of the total FY 2015-16 County estimate produced for this report.

All but roughly 5% of DMH's expenditures on minors in the study population paid for services provided on a routine/recurrent *outpatient* basis. The 2,279 minors treated through DMH over the 12-month observation period had records of 84,292 encounters with the department, an average of roughly 37 encounters each, which suggests that DMH's contracted outpatient providers could play a valuable role in preventing child homelessness and housing homeless children.

- Consider instructing DPSS, DCFS, Probation's juvenile division and RES to leverage an existing agreement between the CEO and the Children's Data Network at the University of Southern California to enhance information available to County policymakers on health-related treatment received by homeless children who also use County services.

As discussed in Chapter 5, the analysis of health-related services used by the study population is limited to episodes provided through County health systems. An indeterminate but likely substantial number of children in the study population, moreover, receive health treatment through non-County health services providers. More inclusive information on health services provided to children – both in general and among those who experience periods of homelessness, would necessitate gaining access to health records of service and treatment encounters involving these non-County services providers.

Evaluation and analytics capacities among the core departments specifically charged with child welfare functions would be significantly enhanced in working collaboratively with the Children's Data Network (CDN) at the University of Southern California (USC), which has done pioneering work in executing Data Use Agreements (DUAs) with multiple State-level agencies that provide CDN with access to anonymized but linkable health services records. CDN has already entered into agreements with other entities in the County, including the Office of Child Protection.

CDN's agreements with the State of California are highly-restricted such that gaining access to holdings in a form that would be linkable to the study population for this report was not permissible. However, different types of arrangements can be explored, particularly the establishment of a process through which CDN could produce aggregated information on specified segments of the child population, such as children known to have experienced spells of homelessness within a given periods of time. RES currently has a broadly defined work agreement with CDN that could be amended and potentially provide County policymakers with valuable information on children and the health services they receive. It is recommended that the departments work with RES and CDN to assess the types of arrangements that could be established for this purpose.

## 6. Conclusion

- Assess the processes through which DCFS and Probation's Juvenile Division record homeless children and youth in their data systems.

A de-duplicated total of 819 minors, 1.7% of the study population, received services through DCFS and/or Probation during FY 2015-16. That such a small portion of the homeless children and youth in a given year are identified as such in the DCFS and Probation data systems is noteworthy both because these are the two departments with the highest costs *per capita* in this report's analyses and because a mounting body of research literature examines the relationships connecting homelessness to, on the one hand, juvenile justice systems, and to foster care systems, on the other. With respect to the cost dimension, moreover, DCFS and juvenile probation account for approximately 86% of the \$26.1 million in NCC shown in this report.

Taken together, these factors suggest DCFS and Probation would benefit from assessing the protocols that shape how staff members identify homeless clients in the respective data systems, especially because both departments have homeless indicators in their data systems. Probation notes that differing homeless definitions and criteria across the departments create challenges in efforts to identify homeless clients consistently. Homeless Initiative Strategy E12 - *Enhanced Data Tracking and Sharing* – is intended to address these issues and the assessment recommended here could potentially be conducted in connection with activities related to this strategy.

- Assess the feasibility, legality and potential enhancements to the CEO's homeless data infrastructure that could result from the execution of an information sharing agreement with LACOE.

The absence of children identified as homeless in the LACOE homeless count for the 2015-16 school year, which is produced using the data school districts are federally-mandated to collect on homeless students under the terms of the McKinney-Vento homeless services act, is a key limitation of this report. While these children will be included in the study population to the degree they overlap with the homeless data sources available to RES for this report, the extent of overlap is not knowable without the school district source data.

One of the barriers to gaining access to the data used for the LACOE count is that formal ownership of the records is not centralized with LACOE but rather resides with the school districts themselves, which may mean that gaining access to an exhaustive countywide data set would entail a time-consuming process of executing data use agreements with each district separately, assuming all district were willing and able to do so. It is recommended that RES be directed to work with LACOE to determine if a streamlined process could be developed that would enable the CEO to execute a centralized agreement with LACOE that would provide access to an anonymized version of the data used to produce the LACOE counts. The improvements to the data available to County policymakers on homeless children would be substantial if such a process could be established. LACOE and the school districts would likewise gain access to highly-valuable analytic information that would improve the ability to provide assistance and support to vulnerable school children.

- Assess potential enhancements to the CEO's homeless data infrastructure that could result from the execution of an information sharing agreement between the CEO and the newly-established Office of Youth Diversion and Development within DHS's Office of Diversion and Re-Entry (OD&R).

The establishment of the Office of Youth Diversion and Development within OD&R offers an opportunity to execute a mutually-beneficial data and information sharing agreement between the new office and



## 6. Conclusion

the CEO. It is recommended that RES be directed to take the lead in working with OD&R to explore the feasibility of such an agreement and acting accordingly based on the findings of this assessment. In terms of coordinating the County's Homeless Initiative strategies, clients touching the Office of Youth Diversion are likely to include justice-involved youth who experience homelessness but are not captured either in Probation's administrative data systems or in the systems of either DPSS or DCFS. These clients could also include those who use County services but are not flagged for homelessness in the data systems in question.

Once identified as homeless, recently homeless, or at risk of becoming homeless, they can be linked to service records across multiple data systems, which will deepen the information available in support of efforts to combat the homeless crisis. At the same time, the analytic information the Office of Youth Diversion would gain from such an agreement would enhance the office's ability to provide services to a key segment of its client population.

AGN NO. \_\_\_\_

MAY 24, 2016

**MOTION BY CHAIR HILDA L. SOLIS AND SUPERVISOR SHEILA KUEHL  
EXAMINATION OF THE ECONOMIC COSTS OF CHILD HOMELESSNESS**

The economic cost of homeless adults has been well documented in Los Angeles by multiple studies, including in the most recent Los Angeles County (the County) Homeless Initiative report. However, there has not been any extensive research outlining the County costs that are incurred from the number of homeless children living on the streets and in homeless shelters.

Overall, the number of CalWORKs families has increased by 5% since 2006, while the number of Homeless CalWORKs families has tripled to over 16,000 during that same period. The Economic Roundtable report titled *Antecedents of Chronic Homelessness* found that 49% of all homeless public assistance recipients in the County are children.

Moreover, according to various studies there are strong correlations between homelessness, foster care and incarceration rates. In fact, 62% of children placed in foster care were formerly homeless. And, according to State Attorney General Kamala Harris, 80% of prison inmates in California were once involved in the foster care system.

It is generally acknowledged that the cost of foster care is over \$50,000 per child per year and the cost of prison is over \$70,000 per person per year. Robust research from

- MORE -

MOTION

RIDLEY-THOMAS \_\_\_\_\_

KUEHL \_\_\_\_\_

KNABE \_\_\_\_\_

ANTONOVICH \_\_\_\_\_

SOLIS \_\_\_\_\_

the State of Virginia concludes that the public cost of not housing homeless families with children is over \$50,000 per year per family. Meanwhile, both Los Angeles Homeless Services Authority and County's Community Development Commission report that the onetime cost of using Rapid Re-Housing to permanently house homeless families with children is less than \$12,000.

The County has embarked on numerous efforts to reduce homelessness among children including the development of the Homeless Families Solutions System, the Frist 5 Permanent Supportive Housing program, the Families Coming Home pilot, and the youth coordinated entry system pilot. More than 1,500 homeless families were aided by these efforts.

The County's efforts to solve homelessness could be greatly aided by more robust data documenting the true economic cost of child homelessness.

**WE, THEREFORE MOVE, THAT THE BOARD OF SUPERVISORS** direct the CEO's office to work with the Department of Public Social Services, the Department of Children and Family Services, the Health Agency, the Los Angeles Homeless Services Authority, Sheriff's and Probation Departments to examine the economic costs of homeless children in the County and develop a plan within 60 days that focuses on providing resources on an ongoing basis to house homeless children in the County..

# # # #

HLS: ss/jyp



## Appendix B

### Calculating the Study Population's Share of DPSS Administrative Costs

The DPSS cost estimate presented in this report includes \$ 47 million in administrative expenditures attached to the CalWORKs Program. This administrative component comprises 13.7% of the 344.2 million in 12-month study population costs shown for FY 2015-16 in this report. Put differently, approximately 1 dollar of every \$7.30 in the CEO's DPSS estimate for FY covered administrative costs. It is important to underscore, however, both that the administrative cost component of the estimate includes services and benefits that our estimate is a *pro rata* approximation based on available information and that this estimate does not include Medi-Cal eligibility services or CalFresh administrative functions due to the difficulties involved in disaggregating these costs from administrative funds tied to CalWORKs.

#### Calculating CalWORKs Administrative Costs

- 1) According to DPSS, total CalWORKs administrative allocations for FY 2015-16 were \$512,036,581

- This amount includes funds targeted to homeless and at-risk families, which are tied to the CalWORKs single allocation amounting to \$22,901,783. These are a component of the \$39.1 Million categorized in this report as programmatic dollars even though they are bundled with administrative costs.
- Since 100% of this \$22.9 million programmatic allocation is appropriate to the study population, there is no need to include these funds in the *pro rata* administrative calculations.
- The first step, then, is to subtract the programmatic spending from the larger FY 2015-16 administrative costs for CalWORKs:

$$\begin{array}{r} \$512,036,581 \\ - \underline{\$22,901,783} \\ \$489,134,708 \end{array}$$

- The subtraction enables the programmatic costs to be shown separately in the report and leaves \$489.1 million in administrative dollars that need to be prorated to a reasonable approximation of the study population's share of these funds.
- 2) The most direct route to a proportional proxy measurement for the study population's share of the 489.1 Million in CalWORKs administrative funding is to use examine the relationship between total monthly caseloads reported by DPSS and the counts of clients in monthly caseload files who are (a) aided through CalWORKs, and ((b) are identified as homeless.
- a. The total number of aided CalWORKs clients in each month was obtained in DPSS's monthly *Caseload Characteristics* reports. With the transition from LEADER to LRS, DPSS temporarily stopped publishing these reports after October 2015. Therefore, the calculations are based on the monthly numbers the department reported for July, August, September, and October 2015:

## Appendix B: Estimating DPSS Administrative Costs

- As shown in Table B1, over the four successive monthly observation points, an average of 10.5% of the aided CalWORKs caseload was identified by DPSS as being homeless.

Table B1. Homeless Clients on CalWORKs July through October 2015

	2015	Total CalWORKs Recipients*	Homeless Clients on CalWORKs	
			#+	% of Total
July		397,353	40,261	10.1
August		397,157	40,856	10.3
September		396,945	41,640	10.5
October		359,021	40,135	11.2
Four-Month Average		387,149	40,723	10.5

\*Source: DPSS Caseload Characteristics

+Source: Monthly CalWORKs caseload files provided by DPSS.

- We therefore assume that 10.5% of the total CalWORKs administrative allocation, not including the \$22.9 Million in programmatic funds already subtracted, can be assigned to the study population (i.e. \$51.4 million):

$\$489,134,708 \times 0.105 = \$51,359,144$  = study population's gross share of CalWORKs administrative costs.

- An additional adjustment of \$4.4 Million is made to remove administrative costs that would otherwise be double counted:

\$51,359,144

- \$4,391,424

\$46,967,720 = study population's estimated share of CalWORKs administrative cost.

The \$22.9 Million in subtracted programmatic funds are combined with an additional \$16.2 Million in homeless program funding that is not part of the CalWORKs single allocation and together comprise \$39.1 Million in estimated programmatic expenditure shown in the analysis of DPSS costs:

\$22,901,783 (CalWORKs single allocation homeless program costs)

+16,180,497 (additional homeless program costs)

\$39,082,280 = FY 2015-16 programmatic expenditure on the study population.

### Excluded CalFresh and Medi-Cal Administrative Costs

RES's DPSS estimate understates the department's investment in homeless families insofar as CalFresh and Medi-Cal administrative costs are excluded from the calculations. The decision to exclude these costs was made in response to DPSS concerns related to overlapping administrative functions that would be problematic to disaggregate from CalWORKs administrative costs but would also inflate the estimate in the absence of this disaggregation. Nevertheless, it is important to provide a sense of the funding involved.

- DPSS reports total CalFresh administrative costs for FY 2015-16 to be \$392.6 million.
  - Using the same method used for the CalWORKs estimate and basing the calculation on clients who received in the study

## Appendix B: Estimating DPSS Administrative Costs

population who received both CalWORKs and CalFresh benefits in FY 2015-16, a monthly average of 3.4% of study population clients between July and October 2015 were in the department's monthly average total population receiving benefits through the two programs (i.e. 39,841 out of 1.2 million).

- Overlapping dollars notwithstanding, a prorated calculation therefore suggests  $(\$392,552,537 \times .034 =) \$13,346,786$  in gross CalFresh administrative dollars related to the study population.
- DPSS reports total Medi-Cal administrative costs for FY 2015-16 to be \$547.4 million;
  - Using the same method used for the CalWORKs estimate and basing the calculation on clients who received in the study population who received Medi-Cal eligibility services in FY 2015-16, a monthly average of 1.3% of study population clients between July and October 2015 were in the department's monthly average total population receiving these services (i.e. 40,723 out of 3.2 million).<sup>30</sup>
  - Overlapping dollars notwithstanding, a prorated calculation therefore suggests  $(\$547,379,739 \times 0.013 =) \$7,115,937$  in Medi-Cal eligibility dollars related to the study population.

The sum of these CalFresh and Medi-Cal eligibility administrative calculations totals to  $(\$13.3 \text{ million} + \$7.1 \text{ million} =) \$20.4 \text{ million}$ . The portion of these gross costs excluded from the \$47 million administrative estimate shown in chapter 2 are those that do not overlap across the two programs or with funds that pay for CalWORKs administrative functions.

### DPSS Administrative Total for the Study Population Examined in this Report

Table B2 sums our estimates for the study population's shares of FY 2015-16 CalWORKs administrative and homeless program estimates. The estimates sum to \$86.1 million, which can be understood as the portion of the DPSS estimate (25%) that funded items for the study population other than direct services. child.

Table B2. Study Population DPSS Admin Total, FY 2015-16

Cost Component	Estimated Expenditure
CalWORKs Administration	\$46,967,720
Homeless Programs	\$39,082,280
<b>Total</b>	<b>\$86,050,000</b>
<b>Child Total</b>	<b>\$61,353,650</b>
<i>Per Client (n=61,555)</i>	<i>\$1,398</i>
<i>Per Child (n=39,749)*</i>	<i>\$1,544</i>
<i>Per Family (n=28,141)</i>	<i>\$2,180</i>

<sup>30</sup> Please note that in reporting the number of clients receiving Medi-Cal services in a given month, the *Caseload Characteristics* reports note that 'CalWORKs recipients are automatically eligible for Medi-Cal and are not counted in the [Medi-Cal Assistance Only] column.' To ensure that the caseload denominator includes the CalWORKs population, we sum the *Medi-Cal Assistance Only* column and the *CalWORKs Persons* column for each of the four monthly observation points.



## Appendix C

### A Note on Methodology and the Total DPSS Estimate for FY 2015-16

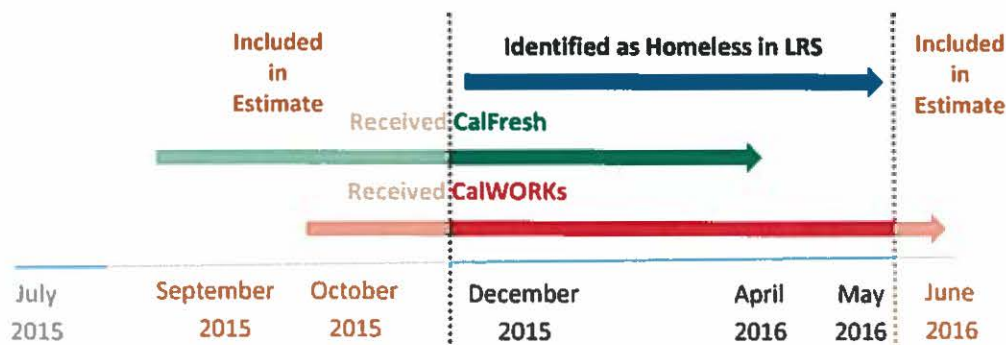
The task of producing a 12-month cost estimate for DPSS exemplifies a methodological complexity that impinges on the analyses of all seven departments included in this report:

- In building the study population, we include all DPSS families and clients who were identified in LRS/CalWORKs records of benefits receipt as being homeless in at least one month during FY 2015-16.
- CalWORKs benefits receipt *in any month of FY 2015-16* are added to our estimate for *any client in the study population* on the basis of our rules of inclusion in the study population.
- While we include CalFresh benefits only for those in the study population who were aided through CalWORKs during at least one month in the Fiscal Year, the estimate includes CalFresh benefits received in any month for study population families who meet this description, including months in which no CalWORKs benefits were received.
- *This means that benefits can and will be included in the estimate for months in the Fiscal Year during which clients are not identified as homeless in LRS/CalWORKs data and/or during which clients do not receive CalWORKs benefits (provided they received CalWORKs in at least one month during the Fiscal Year).*

### A Hypothetical Example

- A family receives CalWORKs benefits in all months from October through June in FY 2015-16 (nine months) but was only identified as a homeless family in CalWORKs records from December through May (six months).
- This family additionally received CalFresh benefits in all months during the Fiscal Year from September through April (eight months):

Figure B1. Example: Inclusion of CalWORKs and CalFresh Benefits in Cost Estimates for DPSS



## Appendix C. The DPSS Estimate and the Methodology used for the Analysis

- Since we include all benefits received for all months in the Fiscal Year, nine months of CalWORKs benefits payments and eight months of CalFresh benefits payments will be added to our estimate even though DPSS data only identifies the family as being homeless in six months.
- The estimate therefore includes one month of CalFresh benefits that precedes the first month in the Fiscal Year during which the family in question received any assistance through CalWORKs.
- In this scenario, the CalWORKs estimate for benefits the family received while homeless is potentially overstated by 50%, i.e. the nine months of benefits included in the estimate adds an additional three months of cost to the six months during which the immediately available evidence suggests the family was homeless.
- The eight months of CalFresh added to the estimate for the same family potentially overstates benefits received while homeless by one third, i.e. includes two months during which the family is not identified as homeless in LRS data, one of which precedes the first month during which the family received CalWORKs aid.

### *The Impact of the Inclusion of Benefits Costs for Months in which Clients are not Identified as being Homeless*

To address the potential impact of the inclusion in our DPSS estimates of benefits received during months in which family members are not identified as homeless in DPSS records, we compared the total number of months of CalWORKs and CalFresh receipt in our estimate during FY 2015-16 to the total months in which the same clients were identified as homeless in LRS. The results are shown in Table C1.

Table C1. Study Population Months in Receipt of CalWORKs, while Homeless and Overall, FY 2015-16

Program	<b>A</b>		<b>B</b>		<b>C</b>	
	Months Receipt		Months Coded Homeless LRS		A minus B	
	Total	Per Client	Total	Per Client	Total	Per Client
CalWORKs, n=61,555	394,699	6.4	313,918	5.1	80,768	1.3
CalFresh, n=56,644	407,774	7.2	327,317	5.8	80,457	1.4

- Of the 394,699 months of CalWORKs receipt included in the DPSS estimate for FY 2015-16 (Column A), 80,768 (20.5%) were paid in months during which the clients receiving the benefits were not identified as homeless in LRS (Column B). This averages to 1.3 months per client (Column C).
- Of the 407,774 months of CalFresh receipt included in the estimate (Column A) 80,457 (19.7%) were paid in months during which the clients receiving the benefits were not identified as homeless in LRS (Column B). This averages to 1.4 Months per client (Column C).
- 

### *How would an Alternative Approach Affect the DPSS Estimate?*

One alternative possibility would be to use the months coded as homeless in LRS as the basis for the estimate as opposed to the total months of receipt during the Fiscal Year. Assuming all other factors producing the

## Appendix C. The DPSS Estimate and the Methodology used for the Analysis

estimate remain constant, this alternative would lower the benefits estimate from \$259.2 million to 206.5 million, a reduction of roughly one fifth (\$52.7 Million), which in turn would reduce the overall DPSS estimate by 15.3% and the overall County estimate by 11.6%

### *The Three Reasons this Report does not take the Alternative Approach*

Three considerations form the basis for why RES does not use the above-described alternative method in producing its DPSS estimate for the Fiscal Year.

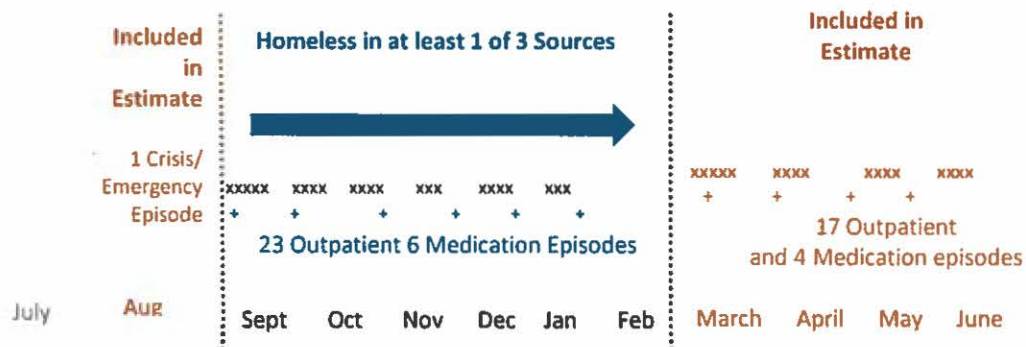
1. *The approach in producing a benefits estimate for DPSS is consistent with the manner in which all direct services provided to the study population by all departments in this report are treated.*

CalWORKs and CalFresh benefits fall into the category of *direct services*. Inclusion of these benefits therefore follows the same logic governing the inclusion of direct services costs provided through all the other six departments in our analyses. Specifically, any cost incurred by any service episode during the Fiscal Year is included in our estimate regardless of whether the episode takes place in a month during which none of the three source systems (LRS/DPSS, DCFS/IDSS, LAHSA/HMIS) identify the service user as homeless.

Figure C1 provides another hypothetical example of a DMH patient in the study population. In this scenario, one crisis episode, 17 outpatient episodes and 4 medication episodes occur during periods when none of the source systems identify the patient as being homeless, but costs for all DMH episodes that occur within the Fiscal Year are included in the estimate for the Fiscal Year.

Figure B1. Example: Inclusion of Mental Health Services in Cost Estimates for DMH

\*X Denotes Outpatient Episode; + Denotes the provision of medication



2. *Attempting to align service dates with dates in which study population clients are identified as being homeless in County data and/or HMIS is difficult and doing so would additionally be based on a problematic assumption.*

An effort to align service episodes with periods during which clients are identified as homeless is not feasible, particularly for those included in the study population based on identification in HMIS, where a client's non-appearance in the system after a month of being in the system cannot be taken to indicate that the client (or family) is no longer homeless. Relatedly, an assumption that identification in one of the source systems exhausts a client's period of homelessness is problematic. This identification merely marks the point at which the department has become officially aware that the client in question is homeless.



## Appendix C. The DPSS Estimate and the Methodology used for the Analysis

The rules of inclusion applied in this report's analysis mean that costs attached to services and benefits provided to families while they are not homeless are added to RES's estimates. The exclusion of services that do not directly align with periods of homelessness in the source systems, however, would similarly exclude services and benefits provided to families while they are homeless to an indeterminate degree.

3. *The rules of inclusion applied in this report are consistent with the rules applied in the CEO's cost analysis of homeless single adults.*

Use of a different logic of analysis for this report would prevent combining information from both reports to produce a broad overview of the fiscal impact of the homeless crisis in Los Angeles County.

### *Estimates are Approximations*

The analyses summarized in this report result in a *series of estimates* because the calculations produce *approximations*. The methods used to calculate costs are imperfect but nevertheless offer a reasonably accurate sense of County resources utilized in providing services, benefits and care to homeless children and families. These methods are reflect the best option available in preparing this report. The analytic procedures and assumptions internally consistent *within* the report, as well as being consistent with other analyses we have conducted for Los Angeles County, and they thereby impose compatibility on the information and make it possible to combine estimates generated on the basis of a common and uniform approach.

*Appendix D*

**Estimated DPSS Expenditures on Homeless Single Adults in FY 2015-16**

Table D1 on the following page shows RES's estimates for DPSS costs related to services provided to homeless single adults in FY 2014-15 and FY 2015-16. The FY 2014-15 estimate was produced for a report included as a supporting document with the Homeless Initiative proposed approach to combat homelessness submitted to the Board and approved in February 2016. The FY 2015-16 estimate was produced for multiple purposes including a need to DPSS homeless single adult costs readily available for comparison and combination with the estimated DPSS costs associated with homeless families and children prepared for this report. Several key notes are important to highlight:

- The methodology for the 2015-16 analysis replicates the methodology used for the analysis of County costs associated with homeless single adults in FY 2014-15.
- The analysis in both years includes GR participants who were coded as being homeless in DPSS monthly records of receipt at some point during the 12 months of observation.
- CalFresh costs in both years are only included for those who received GR benefits and were coded as homeless in GR records during at least one month over 12 months of observation.
- The GR files for both years were prepared by DPSS and shared with RES.

**A Closer Look at the Data**

One of the most striking aspects of the numbers shown in Table D1 is the drop off in GR recipients who experienced periods of homelessness from 114,037 in FY 2014-15 to 83,098 in 2015-16, a difference of 30,939 clients and a decrease of 27.1%. To provide a sense of what this means in relation to the larger study populations involved, the FY 2014-15 single adult study population consisted of 148,815 unique persons extracted from client-level data collected by DPSS, DHS and LAHSA (and/or providers recorded in HMIS). DPSS clients comprised  $(114,037/148,815=)$  76.6% of the FY 2015-16 study population.

In spite of the 27.1% decrease in DPSS homeless single adults in FY 2015-16, the study population for this year consisted of 147,323 unique persons extracted from the same three sources, a difference of 1,492 adults, roughly 1%. DPSS clients, however, only  $(83,098/147,323=)$  56.4% of the FY 2015-16 study population. The following should also be noted:

- While 63% of the GR clients in the FY 2014-15 study population were matched against CalFresh records, 95.1% of the GR recipients in the FY 2015-16 study population were matched against CalFresh records.
- As a result of this difference, the total number of months of CalWORKs in FY 2015-16 receipt is larger by 4.4% even though the number of DPSS clients included in the analysis is smaller by more than one-quarter.

Appendix D. Estimates of DPSS Expenditures on Homeless Single Adults

Table D1. Estimated DPSS Expenditures on Homeless Single Adults in FY 2014-15 and FY 2015-16									
Cost Component	FY 2014-15*				Recipients	FY 2015-16+			
	Recipients	Months	Cost			Months	Cost		
			Total	NCC			Total	NCC	
GR	114,037	688,766	\$152,217,286	\$152,217,286	83,098	517,674	\$114,405,954	\$114,405,968	
^CalFresh	71,910	555,267	\$88,842,720	\$0	78,997	579,838	\$92,774,080	\$0	
Benefits	114,037	688,766	241,060,006	\$152,217,286	83,098	683,282	\$207,180,034	114,405,968	
		Admin	\$30,884,710	\$16,040,776		Admin	\$25,120,446	\$13,012,391	
		Programs	21,771,000	\$8,185,690		Programs	\$12,914,975	\$6,798,450	
Total	114,037	688,766	\$293,715, 716	\$176,443,752	83,098	683,282	\$245,215,455	\$134,216, 809	
			% NCC	60.1			%NCC	54.7	
*Source: DPSS, LEADER									
+Source: DPSS, LRS									
^Study population CalFresh estimates and client counts for FY 2014-15 are likely understated due to data quality issues in DPSS LEADER system.									
**GR recipient counts for both FY 2014-15 and FY 2015-16 are based on files of homeless clients									



#### Appendix D. Estimates of DPSS Expenditures on Homeless Single Adults

Since CalFresh benefits are 100% revenue and GR benefits are 100% NCC, the increase in receipt of the former and decrease in receipt of the latter explains why the percentage in NCC expenditures declines by 5.4 percentage points between FY 2014-15 and FY 2015-16. Other sharp differences may be related, at least in part to the department's migration from the LEADER system to LRS during the two-year period under discussion:

- DPSS affirms that both the GR caseload and the homeless portion of this caseload has during the period reflected in Table D1, but it is but it is difficult to determine whether this would fully explain the decline in homeless GR recipients observed over the two years in question and/or the decreasing overlap between homeless recipients receiving GR and homeless single adults known to the County more generally.
- Most evidence to which RES has access suggests that the 63% overlap between homeless GR recipients and the CalFresh program observed for FY 2014-15 is a significant understatement. The 95% overlap observed in the subsequent fiscal year is broadly consistent with what the data suggest in other contexts.

