

Assembly Bill No. 1808

CHAPTER 75

An act to amend Sections 8222, 8279.7, 8447, 42921, and 49561 of, to add Section 69519 to, and to repeal Section 8222.5 of, the Education Code, to amend Sections 17560 and 17706 of, and to add Sections 17307 and 17433.5 to, the Family Code, to amend Sections 1522, 1534, 1569.33, 1596.871, 1597.09, 1597.55a, 11831.5, and 11839.7 of, to add Sections 1522.08, 11999.6.1, and 129856 to, to add and repeal Division 10.10 (commencing with Section 11999.30) to, and to repeal Section 11970.4 of, the Health and Safety Code, to amend Section 1611.5 of the Unemployment Insurance Code, and to amend Sections 366.21, 366.22, 10544, 10553.25, 11327.5, 11367, 11403.3, 11450, 11462, 11466.21, 12201.03, 12201.05, 12304.4, 14124.93, 15204.6, and 16605 of, to add Sections 10507, 10533, 10534, 10535, 10540.6, 10609.9, 11216, 11320.32, and 16124 to, to add Article 4.75 (commencing with Section 11380) to Chapter 2 of Part 3 of Division 9 of, to add Chapter 4.5 (commencing with Section 18260) to Part 6 of Division 9 of, and to add Division 26 (commencing with Section 25200) to, and to amend, repeal, and add Sections 11363 and 11364 of, the Welfare and Institutions Code, relating to human services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 12, 2006. Filed with
Secretary of State July 12, 2006.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1808, Committee on Budget. Human services.

Existing law, the Child Care and Development Services Act, authorizes alternative payment programs to provide payment to child care facilities with at least 75% subsidized children in prescribed circumstances, and authorizes the Superintendent of Public Instruction to adopt related regulations.

This bill would delete the above 75% limitation, and would revise the methodology by which alternative payment programs reimburse licensed child care providers, in accordance with an annual market rate survey, as specified, and based on the rates charged by the provider to nonsubsidized families. The bill would make related technical changes. The bill would give alternative payment programs and licensed child care providers various responsibilities in connection with providing child care for subsidized families. The bill would require an alternative payment program to verify provider rates, using a random verification process, as prescribed.

Existing law requires the Department of Finance and the Department of General Services to approve or disapprove annual contract funding terms and conditions for state-subsidized child care and development programs, including family copayment schedules and regional market rate schedules that are required to be adhered to by contract, and contract face sheets submitted by the State Department of Education. Following the resolution of conflicts between the departments, if any, existing law requires the State Department of Education to issue contracts and funding terms and conditions to child care contractors, as specified.

This bill, notwithstanding these provisions, would require the State Department of Education to implement, for the 2006–07 fiscal year, regional market rate schedules as determined by the Regional Market survey conducted in 2005, as specified, and to update the family fee schedules by family size, based on the 2005 state median income survey data for a family of 4. The bill would make related technical changes, and would declare the intent of the Legislature to fully fund the 3rd stage of child care for CalWORKs recipients.

Existing law requires funds appropriated in specified annual Budget Acts to be allocated to local child care and development planning councils, to be used to address the retention of qualified child care employees in state-subsidized child care centers. A portion of these funds may also be allocated for use in the County of Los Angeles to subsidize child care services in other settings, including family day care homes, as defined.

This bill would revise the provisions related to the County of Los Angeles, to also include specified funds appropriated in the Budget Act of 2006, and, if funding is provided, in the Budget Acts of 2007 and 2008.

Under existing law, 6 unified school districts and consortia operating children services program sites that provide instruction, counseling, tutoring, and related services for foster children receive an allowance from the State School Fund. Existing law also authorizes other school districts to provide educational services for foster children who reside in a regularly established licensed or approved foster home, located within the boundaries of a program site, pursuant to a commitment by a juvenile court. Existing law provides for funding for those other school districts for the provision of those services in any fiscal year, upon appropriation from the General Fund, or, if sufficient funds are available, from the Foster Children and Parent Training Fund.

This bill would provide, with respect to educational and support services for foster youth, that in addition to the 6 specified program sites, any county office of education, or consortium of county offices of education, may elect to apply to the Superintendent of Public Instruction for grant funding, to the extent funds are available, to operate an education-based foster youth services program to provide educational and support services for foster children.

The bill would require, if sufficient funds are available, these programs to have at least one educational services coordinator. The bill would

specify the duties to be performed by these advocates. It would set priorities for the services to be delivered by these programs.

Existing law requires school districts and county superintendents of schools to provide free or reduced-price meals to needy pupils as part of the National School Lunch and School Breakfast Programs. Existing law requires the State Department of Education to create a computerized data-matching system, as specified, using existing databases from the State Department of Education and the State Department of Health Services to directly certify recipients of public assistance programs for enrollment in the National School Lunch and School Breakfast Programs, as specified. These provisions are operative upon receipt of federal funds to assist the state in implementing new direct certification requirements mandated by federal law.

Existing law separately provides that, except under specified circumstances, applications and records concerning any individual made or kept by a public officer or agency in connection with the administration of existing law relating to federally subsidized public social services are confidential.

This bill, notwithstanding the above confidentiality provisions, would authorize the transfer of data that identify applicants for, or recipients of, public social services from existing databases maintained by the State Department of Health Services, in order to directly certify recipients of the Food Stamps Program, CalWORKs, or other programs authorized for direct certification under federal law for National School Lunch and School Breakfast Programs eligibility. The bill would declare these provisions to be declaratory of existing law.

Under existing law, the Student Aid Commission has various duties with respect to the administration of publicly funded postsecondary educational financial assistance programs.

This bill would set forth the duties of the commission with respect to its operation of a federally funded scholarship program to assist current and former foster youth in financing their postsecondary education. The bill would require the commission, in conjunction with the State Department of Social Services, to determine individual award amounts and the total number of students awarded on an annual basis, as prescribed.

Existing law requires the state to operate a State Disbursement Unit, as required by federal law, for the collection and disbursement of payments under support orders.

This bill would declare that the Department of Child Support Services has the authority and discretion to prevent, correct, or remedy the effects of changes in the timing of the receipt of child support payments resulting from the initial implementation of the State Disbursement Unit. The bill would declare this provision to be declaratory of existing law.

Existing law requires the department to administer laws and regulations pertaining to the administration of child support enforcement obligations, and requires each county to maintain a local child support agency, which

is responsible for establishing, modifying, and enforcing support obligations, including bringing legal action, as specified.

This bill would prohibit interest from accruing in an action for payment of current child, spousal, family, or medical support that becomes due in a given month, until the 1st day of the following month.

Existing federal law provides for allocation of federal funds through the federal Temporary Assistance for Needy Families (TANF) block grant program to eligible states. Existing law provides for the California Work Opportunity and Responsibility to Kids (CalWORKs) program under which, through a combination of state and county funds and federal funds received through the TANF program, each county provides cash assistance and other benefits to qualified low-income families.

Existing law requires the Department of Child Support Services, until January 1, 2007, to create a program establishing an arrears collection enhancement process, pursuant to which the department is authorized to accept offers in compromise of child support arrears and accrued interest owed to the state for reimbursement of aid paid pursuant to the CalWORKs program. Under existing law, the department is required to report to the Legislature on the results of the program no later than January 1, 2007.

This bill would continue that program through June 30, 2008, and would require the department to report to the Legislature by that date. The bill would require a local child support agency to honor repayment schedules for the compromise program beyond June 30, 2008, to allow for the completion of compromise agreements already in progress.

Existing law, effective July 1, 2000, provides that the 10 counties with the best child support program performance standards shall receive an additional 5% of the state's share of the counties' collections that are used to reduce or repay aid that is paid under the CalWORKs program. Existing law requires the counties to use the additional funds for specified child support-related activities. Existing law suspends the payment of this additional 5% for fiscal years 2002–03 to 2005–06, inclusive.

This bill would extend the suspension of the 5% payment through the 2006–07 fiscal year.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services, and under which qualified low-income persons receive health care services. Under existing law, the Department of Child Support Services is required to provide payments of \$50 per case to the local child support agency for obtaining 3rd-party health coverage or insurance of beneficiaries, to the extent that funds are appropriated in the Budget Act. Existing law suspends these payments for fiscal years 2003–04 to 2005–06, inclusive.

This bill would extend the suspension of the above payments to local child support agencies through the 2006–07 fiscal year.

Under existing law, the State Department of Social Services regulates the licensure and operation of community care facilities, residential care facilities for the elderly, and child day care facilities.

This bill, in order to protect the health and safety of persons receiving care or services from individuals or facilities licensed and certified by the state, would authorize departments under the jurisdiction of the California Health and Human Services Agency to share information with respect to applicants, licensees, certificants, and individuals who have been the subject of disciplinary action. The bill would require the State Department of Social Services to maintain a centralized system for monitoring and tracking of administrative disciplinary actions, to be used by departments under the jurisdiction of the California Health and Human Services Agency as a part of the background check process. This bill would authorize the department to adopt regulations to implement these provisions, and to charge a fee to other departments under the agency's jurisdictions to cover the cost of providing the specified disciplinary information.

Existing law requires the State Department of Social Services to conduct announced visits to no less than 10% of certain licensed community care facilities, residential care facilities for the elderly, family day care homes, and child day care centers, in order to ensure the quality of care, as specified.

This bill would increase the percentage of facilities subject to announced visits by the department, to 20%.

Under existing law, licensees and other individuals who are present and provide care in specified community care, foster care, and child day care facilities are required to provide fingerprints, and the department is required to secure the individual's criminal history, to determine whether he or she has been convicted of a crime other than a minor traffic violation, or convicted of specified sex-related offenses.

Existing law prohibits the Department of Justice and the State Department of Social Services from charging a fee for fingerprinting, or obtaining the criminal record of, an applicant for a license or special permit to operate facilities that provide nonmedical board, room, and care for 6 or fewer children, and child day care facilities that serve 6 or fewer clients, but makes an exception to these prohibitions for fiscal years 2003–04, 2004–05, and 2005–06.

This bill would extend these exceptions through the 2006–07 and 2007–08 fiscal years.

Existing law provides that certification of alcohol and other drug treatment recovery programs shall be granted by the State Department of Alcohol and Drug Programs regardless of the source of the program's funding.

This bill would revise the procedures for granting the certification, and would limit the certification to a period of not more than 2 years.

Existing law requires a narcotic treatment program authorized to use replacement narcotic therapy to be licensed by the State Department of Alcohol and Drug Programs, except as specified. Existing law requires the department to set the licensing fee at a level sufficient to cover all departmental costs associated with licensing incurred by the department.

Under existing law, the licensing fee is prohibited from increasing at a rate greater than the Consumer Price Index plus 5%, except as specified.

This bill would limit the rate by which the department may increase this fee to the Consumer Price Index.

The Comprehensive Drug Court Implementation Act of 1999 provides grants to counties under which the county alcohol and drug program administrator and the presiding judge in the county develop and submit a plan for local drug court systems. Existing law repeals the act as of January 1, 2007.

This bill would delete the repeal date of the act, thereby extending its provisions indefinitely.

The Substance Abuse and Crime Prevention Act of 2000, enacted by initiative statute (Proposition 36), established the Substance Abuse Treatment Trust Fund within the State Treasury to be continuously appropriated for carrying out the purposes of the act relating to diverting from incarceration into community-based substance abuse treatment programs, nonviolent defendants, probationers, and parolees charged with simple drug possession or drug use offenses. Under existing law, counties are required to annually report information relating to individuals served as a result of funding required by the act. The act requires that any amendment to the act pass with a $\frac{2}{3}$ vote of the membership of both houses of the Legislature, and requires amendments to be consistent with the act's purposes.

This bill would revise the methodology by which funds are allocated to counties by the department, by allowing the department to withhold from a county's allocation an amount that the department projects will remain unencumbered. This bill would require the department to allocate 75% of the withheld funds in accordance with existing law, and to reserve 25% of the withheld funds to adjust for actual, rather than projected unencumbered funds, as specified. The bill would require the department to adjust its allocations, as necessary, if the department determines that more funds should have been withheld from a county, and would authorize the department to exclude a nonreporting county from allocations under the bill.

This bill, subject to an appropriation in the annual Budget Act, would establish the Substance Abuse Offender Treatment Program, pursuant to which the State Department of Alcohol and Drug Programs would distribute funds to counties that meet designated eligibility criteria, for the purpose of improving county treatment practices with respect to substance abuse offenders, as provided in the bill. The bill would require a participating county to provide matching funds in order to participate in the program, and to submit an application to the department containing specified information, documenting the county's eligibility for the program. The bill would set forth the department's duties with respect to the program, including auditing county expenditures of funds under the program, and would require that expenditures not made in accordance with the program be repaid to the state.

This bill would make the program inoperative 2 years after its implementation, and would repeal these provisions as of July 1, 2009.

Existing law, the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983, requires the Office of Statewide Health Planning and Development to assume prescribed duties relating to construction and alteration of hospital buildings, including, but not limited to, review and approval of construction plans, in order to ensure that the buildings would be reasonably capable of providing services after a disaster.

This bill would additionally require the office, contingent upon an appropriation in the annual Budget Act, to establish a program for Fire and Life Safety Officers, to perform duties of the office related to the review of plans and specifications pertaining to the design and observation of hospital buildings, as specified. The bill would require the office to prepare a comprehensive report on the Fire and Life Safety Officer training program, and to include specified information in the report. The bill would require the office to submit the report to the Joint Legislative Budget Committee by April 1, 2007.

Existing law authorizes the appropriation in the Budget Act of 2005 of a specified amount from the Employment Training Fund to fund the local assistance portion of welfare-to-work activities under the CalWORKs program.

This bill instead would apply this provision to any annual Budget Act, and would provide that the amount of the appropriation shall be specified in that annual Budget Act.

Existing federal law provides for allocation of federal funds through the federal TANF block grant program to eligible states. Existing law provides for the CalWORKs program for the allocation of federal funds received through the TANF program, under which each county provides cash assistance and other benefits to qualified low-income families.

Existing law requires the State Department of Social Services to annually allocate appropriated funds to each federally recognized American Indian tribe with reservation lands or rancherias in the state that administers a federal tribal TANF grant program.

This bill would revise the provisions relating to state funding for the Tribal TANF grant program by basing state funding on the caseload used to develop Tribal Family Assistance Grant negotiated with the Administration for Children and Families and the state. The bill would also revise related reporting and auditing requirements.

Existing law provides for various county-administered public social services, including, among others, adoption and child welfare services, foster care services, the CalWORKs program, the Food Stamp Program, adult protective services, and the In-Home Supportive Services program, which are subject to state administration and oversight by the State Department of Social Services.

This bill would require the department to estimate the costs for county administration of human services programs, as specified, using a county survey process, which would be jointly developed by the department and

the County Welfare Directors Association no later than November 1, 2006, in accordance with criteria set forth in the bill.

Existing law requires each county to develop a plan consistent with state law that describes how the county intends to deliver the full range of activities and services necessary to move CalWORKs recipients from welfare to work.

This bill would require the State Department of Social Services to establish a CalWORKs county peer review process, as specified, and to initially implement the process on a pilot county basis, and then statewide, by July 1, 2007. The purpose of the peer review process would be to assist counties in implementing best practices to improve their performance and make progress toward meeting established state performance goals.

This bill would require each county to perform a comprehensive review of its existing CalWORKs plan, and to prepare and submit to the department an addendum to the plan, detailing how the county will meet goals related to the improvement of public social services outcomes, as prescribed under existing law. The bill would require the county plan to be reviewed and updated for these purposes no less than once every 3 years.

By increasing county duties with respect to the administration of the CalWORKs program, this bill would impose a state-mandated local program.

Notwithstanding any other provision of law, this bill would provide that of the amount appropriated to the State Department of Social Services in a specified item in the Budget Act of 2006, \$90,000,000 in federal TANF block grant funds for the CalWORKs program shall remain eligible for expenditure until June 30, 2008.

Existing law requires the State Department of Social Services to ensure that performance outcomes under the CalWORKs program are monitored at the state and county levels, as specified. Under existing law, if the state does not achieve the outcomes required by federal law, and is therefore subject to a fiscal penalty, that penalty shall be shared equally by the state and the counties, after the exhaustion of available federal administrative remedies.

Beginning no later than April 1, 2007, this bill would require the department to periodically publish available data, reported by county, regarding specified performance outcomes. The bill would require the department to consult with designated entities when developing the data sources, methodology, and format for the data to be published.

This bill would revise the methodology by which the county share of the federal penalty is calculated and assessed, and the circumstances under which a county may be provided relief from a previously imposed penalty. The bill would provide that a county that fails, without good cause, to submit accurate and timely data required by the department shall be deemed to have failed to meet applicable federal requirements.

This bill would declare the Legislature's intent that the department to prepare and submit to the Legislature a master plan for CalWORKs data,

by April 1, 2007, and would specify the required contents of the master plan.

Existing law requires each county to provide child welfare services, and provides for the administration of various child welfare services pursuant to regulations and procedures adopted by the State Department of Social Services.

Existing law requires the department to contract with an appropriate and qualified entity to conduct an evaluation of the adequacy of current child welfare services budgeting methodology, and to convene an advisory group. Pursuant to existing law, the Director of Social Services has convened an advisory group, the Child Welfare Services Stakeholders Group, to address concerns facing the child welfare system.

This bill would, commencing with the Budget Act of 2006, annually designate \$98,000,000 from specified Budget Act items for county child welfare services system improvement. This bill would require the State Department of Social Services to work with the County Welfare Directors Association, among others, to develop and submit to the Legislature by February 1, 2007, a proposed methodology for budgeting these child welfare services program funds, to be applicable commencing with the 2007–08 fiscal year, as specified.

Notwithstanding any other provision of law, this bill would limit the expenditure of federal TANF block grant funds or state maintenance of effort funds outside of the CalWORKs program to circumstances when the expenditure does not result in additional caseload to be included in the calculation of the state's TANF program caseload reduction credit. This bill would prohibit the amount of federal TANF block grant funds authorized for any program except the CalWORKs program from being increased above the amount appropriated in the annual Budget Act.

This bill would require the State Department of Social Services to administer a voluntary Temporary Assistance Program (TAP), to provide cash assistance and other benefits, commencing no later than April 1, 2007, to specified current and future CalWORKs recipients who meet the exemption criteria for participation in welfare-to-work activities, and are not single parents who have a child under the age of one year. The bill would allow the department to suspend implementation of the TAP until October 1, 2007, under specified circumstances. This bill would require the TAP to be funded by designated General Fund resources.

Existing law requires the imposition of sanctions, as specified, if an individual has failed or refused to comply with CalWORKs program requirements. Under existing law, the length of time that financial sanctions reduce a family's grant increases is based on the number of instances of noncompliance that have occurred.

This bill would eliminate the above provisions increasing the length of time that the financial sanctions are imposed, and instead would provide that a sanction shall terminate at any point if the noncomplying participant performs the activity or activities the individual previously refused to perform.

Existing law, through the Kinship Guardianship Assistance Payment Program, which is a part of the CalWORKs program, provides aid on behalf of eligible children who are placed in the home of a relative caretaker, and limits the application of the program to children who have been adjudged a dependent child of the juvenile court and whose dependency has been dismissed on or after January 1, 2000, concurrently or subsequent to the establishment of the kinship guardianship. The program is funded by state and county funding and available federal funds.

This bill would revise the methodology for calculating the state share of benefits and administration under the Kin-GAP Program.

This bill would require the State Department of Social Services, by October 1, 2006, to establish the Kin-GAP Plus Program, which would be an optional alternative to the Kin-GAP program, with similar eligibility and administrative provisions. The Kin-GAP Plus Program would additionally apply to certain delinquent children who have been declared wards of the juvenile court and whose wardships have been terminated, and would include payments for a specialized care increment and clothing allowance, under certain circumstances. The bill would require the department to adopt implementing regulations for the Kin-GAP Plus Program by February 1, 2007, and to report to the Legislature regarding the program at a specified time. The bill would allow the department to suspend the voluntary enrollment of Kin-GAP beneficiaries into the Kin-GAP Plus Program until October 1, 2007, under specified circumstances. The bill would extend benefits under the Kin-GAP Program to certain wards of the juvenile court, and would provide for the payment of clothing allowances and specialized care increments to the Kin-GAP recipients, as prescribed, if the department suspends voluntary enrollment or the Kin-GAP beneficiaries into the Kin-GAP Plus Program in accordance with these provisions.

Existing law relating to the CalWORKs program provides that after a family has used all available liquid resources in excess of \$100, the family shall be entitled to receive an allowance for nonrecurring special needs, including homeless assistance, under specified circumstances.

This bill would revise the purposes for which the homeless assistance payment may be provided, to include payment of up to 2 months of rent arrearages when these payments are a reasonable condition of preventing eviction. The bill would also include within the circumstances pursuant to which homeless assistance would be available, when a family receives a notice to pay rent or quit. The bill would increase the amount of assistance available to a family, from \$40 per day to \$65 per day for a family of 4 or fewer, plus \$15 per day for each additional family member up to a daily maximum of \$125. This bill would also revise the manner of calculation of the nonrecurring special need of permanent housing assistance for last month's rent and security deposits.

This bill would impose a state-mandated local program by requiring each county to perform additional administrative duties under the CalWORKs program.

Existing law provides funding for various child welfare services, including foster care services such as the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program, under which counties provide payments to foster care providers on behalf of qualified children in foster care. The program is funded by a combination of federal, state, and county funds. Existing law requires that a child be in one of 7 designated placements in order to be eligible for AFDC-FC, and also limits eligibility for federal financial participation to children who meet certain criteria.

Existing law, pursuant to the AFDC-FC program, requires that foster care providers licensed as group homes have rates established by classifying each group home program and applying the standardized schedule of rates. Existing law establishes a standardized schedule of rates for the 2002–03, 2003–04, 2004–05, and 2005–06 fiscal years.

This bill would extend the standardized schedule of rates to the 2006–07 fiscal year, and would make related changes.

This bill would authorize the department to conduct a demonstration project in up to 20 counties, to allow flexible use of certain federal and state foster care funds, using a federal capped allocation model over a 5-year period. The bill would require state approval for a county to participate in the demonstration project, and would require a participating county to enter into a memorandum of understanding (MOU) with the department setting forth the terms and conditions of participation in the demonstration project, as specified, including, among other provisions, procedures to allow a county to opt out of the demonstration project. It would also prescribe the allocation methodology for the federal funds and the county's share of cost.

Existing law authorizes payment for certain transitional housing services to eligible foster youth between 16 and 18 years of age from available moneys in the Transitional Housing for Foster Youth Fund, which is continuously appropriated, or the annual Budget Act. Existing law extends eligibility for these transitional housing placement program services to a person less than 24 years of age who has emancipated from the foster care system in a county that has elected to participate in a transitional housing placement program for youths between 18 and 24 years of age, provided that the person has not received these services for more than a total of 24 months.

Existing law provides that the state shall pay 40%, and the county shall pay 60%, of the share of costs for these transitional housing services.

This bill would revise applicable sharing ratios, to eliminate the requirement for the county to pay a share of the cost for transitional housing services for persons between 18 and 24 years of age, and would limit funding for these services to the amount appropriated in the annual Budget Act.

Existing law provides for the State Supplementary Program for the Aged, Blind and Disabled (SSP), which requires the State Department of Social Services to contract with the United States Secretary of Health and Human Services to make payments to SSP recipients to supplement

supplemental security income (SSI) payments made available pursuant to the federal Social Security Act.

Under existing law, benefit payments under the SSP program are calculated by establishing the maximum level of nonexempt income and federal (SSI) and state (SSP) benefits for each category of eligible recipient. The state SSP payment is the amount, when added to the nonexempt income and SSI benefits available to the recipient, that would be required to provide the maximum benefit payment.

Existing state law provides, except in certain calendar years, for the annual adjustment of the total level of combined state and federal benefits as established by statutory schedule to reflect changes in the cost of living, as defined.

Existing law provides that, for the 2006 and 2007 calendar years, no cost-of-living adjustment shall be made to the state portion of SSI/SSP benefits. Existing law provides that, commencing with the 2004 calendar year and thereafter, in any calendar year in which no cost-of-living adjustment is made to the payment schedules, there shall be a pass along of any cost-of-living increases in federal SSI benefits.

Existing law further provides, with certain exceptions, that for the 2006 calendar year, the federal pass along shall not become effective until April 1, 2006, and for the 2007 calendar year, the federal pass along shall not become effective until April 1, 2007.

This bill would delete the delay of the federal pass-along for the 2007 calendar year.

Existing law provides for the In-Home Supportive Services (IHSS) program, under which, through employment by the recipient, by or through contract by the county, or by the creation of a public authority or pursuant to a contract with a nonprofit consortium, qualified aged, blind, and disabled persons receive services enabling them to remain in their own homes. Existing law allows an IHSS recipient who hires and pays his or her service provider, and who has been a recipient for at least one year, to receive his or her IHSS grant by direct deposit through an electronic transfer. Existing law requires the Controller and the State Department of Social Services to determine the cost of developing and implementing the direct deposit program, as specified.

This bill instead would require the department to establish a program of direct deposit by electronic fund transfer, and would give providers the option of receiving payments via the direct deposit system. The bill would require the State Department of Social Services, the Controller, and the California Health and Human Services Agency to make all necessary automation changes to allow for direct deposit payments.

Existing law establishes the Pay for Performance Program to provide additional funding for counties that meet specified standards in implementing welfare-to-work programs under the CalWORKs program, that would apply to the 2006–07, 2007–08, and 2008–09 fiscal years and would be contingent upon a Budget Act appropriation.

This bill would delete the specific fiscal years to which the Pay for Performance Program generally applies, would revise performance measures, standards, outcomes, and payments to counties in certain fiscal years, and would require the department to periodically publish the outcomes measured by the program, identified by county.

Existing law provides for the Adoption Assistance Program, to be established and administered by the State Department of Social Services or the county, for the purpose of benefitting children residing in foster homes by providing the stability and security of permanent homes. The program provides for the payment by the department and counties, of cash assistance to eligible families that adopt eligible children, and bases the amount of the payment on the needs of the child and the resources of the family to meet those needs.

This bill, upon appropriation by the Legislature of funds for this purpose, would require the State Department of Social Services to establish a 3-year project in 4 counties, including San Francisco and Los Angeles Counties, and one state district office, and would provide that funding to those counties from appropriations in the annual Budget Act would be used to provide funding for preadoption and postadoption services to ensure the successful adoption of a targeted population of children who have been in foster care 18 months or more. The bill would require the department to work with counties to develop requirements for the project, and to provide information on the results of the project to the Legislature, by November 30, 2010. This bill would encourage the participating counties to create public-private partnerships with private adoption agencies to maximize success in improving permanency outcomes for older foster children, as specified. To the extent that it places new requirements on participating counties, this bill would impose a state-mandated local program.

Existing law requires the State Department of Social Services to conduct a Kinship Support Services Program that is a grants-in-aid program providing startup and expansion funds for local kinship support services programs that provide community-based family support services to kinship caregivers and the children placed in their homes by the juvenile court or who are at risk of dependency or delinquency. Under existing law, the counties participating in the program must meet specified requirements, including the requirement that 40% or more of dependent children in the county be in relative care placements.

This bill would revise the provisions applicable to the operation of the Kinship Services Support Program by eliminating the requirement that a participating county have 40% or more of dependent children in relative care placements and imposing additional requirements on these counties. The bill would require specified information be provided by counties that elect to participate in the program, including the number of relative caregivers residing in the county, and the county's outcome improvement goals for the program, as specified.

Under existing law, the Department of Community Services and Development in the California Health and Human Services Agency has various duties and responsibilities with respect to low-income individuals, including coordinating and establishing linkages between governmental and other social services programs to ensure the effective delivery of services to those individuals.

This bill would establish the Naturalization Services Program within the department, which would provide funding to community-based organizations to assist legal permanent residents in obtaining citizenship. These provisions would be implemented only to the extent that funds are appropriated for this purpose.

Existing law requires the Department of Alcohol and Drug Programs, among other duties, to administer certain programs and studies related to alcohol and drug abuse recovery and to license, certify, and regulate alcoholism or drug abuse recovery or treatment facilities.

This bill would require the department to submit to the Legislature a methamphetamine prevention plan, with specified components, by April 1, 2007. The bill would also require the department to report its efforts at budget hearings in 2007 and 2008.

This bill would authorize certain provisions to be implemented by the State Department of Social Services by all-county letters or similar instructions, pending the adoption of emergency regulations, as prescribed.

This bill would provide that its provisions are severable, and that if any provision of the bill or its application is held invalid, that invalidity shall not affect other provisions or applications of the bill that can be given effect without the invalid provision or application.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

This bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Section 8222 of the Education Code is amended to read:

8222. (a) Payments made by alternative payment programs shall be equal to the rate charged to full-cost families in each program, not to exceed the applicable market rate ceiling. Alternative payment programs may expend more than the standard reimbursement rate for a particular child. However, the aggregate payments for services purchased by the agency during the contract year may not exceed the assigned reimbursable amount as established by the contract for the year. No agency may make

payments in excess of the rate charged to full-cost families. This section does not preclude alternative payment programs from using the average daily enrollment adjustment factors for children with exceptional needs as provided in Section 8265.5.

(b) Alternative payment programs shall reimburse licensed child care providers in accordance with an annual market rate survey, at a rate not to exceed the ceilings established pursuant to statute.

(c) An alternative payment program shall reimburse a licensed provider for child care of a subsidized child based on the rate charged by the provider to nonsubsidized families, if any, for the same services, or the rates established by the provider for prospective nonsubsidized families. A licensed child care provider shall submit to the alternative payment program a copy of the provider's rate sheet listing the rates charged, and the provider's discount or scholarship policies, if any, along with a statement signed by the provider confirming that the rates charged for any subsidized child are equal to or less than the rates charged for a nonsubsidized child.

(d) An alternative payment program shall maintain a copy of the rate sheet and the confirmation statement.

(e) A licensed child care provider shall submit to the local resource and referral agency a copy of the provider's rate sheet listing rates charged, and the provider's discount or scholarship policies, if any, and shall self-certify that the information is correct.

(f) Each licensed child care provider may alter rate levels for subsidized children once per year and shall provide the alternative payment program and resource and referral agency with the updated information pursuant to subdivisions (c) and (e), to reflect any changes.

(g) A licensed child care provider shall post in a prominent location adjacent to the provider's license at the child care facility the provider's rates and discounts or scholarship policies, if any.

(h) An alternative payment program shall verify provider rates once a year by randomly selecting 10 percent of licensed child care providers serving subsidized families. The purpose of this verification process is to confirm that rates reported to the alternative payment programs reasonably correspond to those reported to the resource and referral agency and the rates actually charged to nonsubsidized families for equivalent levels of services. It is the intent of the Legislature that the privacy of nonsubsidized families shall be protected in implementing this subdivision.

(i) The State Department of Education shall develop regulations for addressing any discrepancies in the provider rate levels identified through the rate verification process in subdivision (h).

SEC. 2. Section 8222.5 of the Education Code is repealed.

SEC. 3. Section 8279.7 of the Education Code is amended to read:

8279.7. (a) The Legislature recognizes the importance of providing quality child care services. It is, therefore, the intent of the Legislature to assist counties in improving the retention of qualified child care employees

who work directly with children who receive state-subsidized child care services.

(b) It is further the intent of the Legislature, in amending this section during the 2005–06 Regular Session, to address the unique challenges of the County of Los Angeles, in which an estimated 60,000 low-income children receive subsidized child care in nonstate-funded child care settings and an additional 50,000 eligible children are waiting for subsidized services.

(c) (1) Except as provided in paragraph (2), the funds appropriated for the purposes of this section by paragraph (11) of Schedule (b) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2000 (Ch. 52, Stats. 2000), and that are described in subdivision (i) of Provision 7 of that item, and any other funds appropriated for purposes of this section, shall be allocated to local child care and development planning councils based on the percentage of state-subsidized, center-based child care funds received in that county, and shall be used to address the retention of qualified child care employees in state-subsidized child care centers.

(2) Of the funds identified in paragraph (1), funds qualified pursuant to subparagraphs (A) to (C), inclusive, may also be used to address the retention of qualified persons working in licensed child care programs that serve a majority of children who receive subsidized child care services pursuant to this chapter, including, but not limited to, family day care homes as defined in Section 1596.78 of the Health and Safety Code. To qualify for use pursuant to this paragraph, the funds shall meet all of the following requirements:

(A) The funds are allocated for use in the County of Los Angeles.

(B) The funds are appropriated either in paragraph (11) of Schedule (b) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2000 (Ch. 52, Stats. 2000) and are described in subdivision (i) of Provision 7 of that item, in paragraph (1) of Schedule (1.5) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2004 (Ch. 208, Stats. 2004) and are described in subdivision (i) of Provision 7 of that item, in paragraph (1) of Schedule (1.5) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2005 (Ch. 38, Stats. 2005), in paragraph (1) of Schedule (1.5) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2006 and are described in subdivision (g) of Provision 5 of that item, and if funding is provided, in corresponding sections of the 2007 and 2008 Budget Acts.

(C) The funds are unexpended after addressing the retention of qualified child care employees in state-subsidized child care centers and family child care home education networks.

(d) The department shall develop guidelines for use by local child care and development planning councils in developing county plans for the expenditure of funds allocated pursuant to this section. These guidelines shall be consistent with the department's assessment of the current needs of the subsidized child care workforce, and shall be subject to the approval of the Secretary for Education and the Department of Finance. Any county plan developed pursuant to these guidelines shall be approved by the

department prior to the allocation of funds to the local child care and development planning council.

(e) Funds provided to a county for the purposes of this section shall be used in accordance with the plan approved pursuant to subdivision (d). A county with an approved plan may retain up to 1 percent of the county's total allocation made pursuant to this section for reimbursement of administrative expenses associated with the planning process.

(f) The Superintendent of Public Instruction shall provide an annual report, no later than April 10 of each year, to the Legislature, the Secretary for Education, the Department of Finance, and the Governor that includes, but is not limited to, a summary of the distribution of the funds by county and a description of the use of the funds.

SEC. 3.1. Section 8447 of the Education Code is amended to read:

8447. (a) The Legislature hereby finds and declares that greater efficiencies may be achieved in the execution of state subsidized child care and development program contracts with public and private agencies by the timely approval of contract provisions by the Department of Finance, the Department of General Services, and the State Department of Education and by authorizing the State Department of Education to establish a multiyear application, contract expenditure, and service review as may be necessary to provide timely service while preserving audit and oversight functions to protect the public welfare.

(b) (1) The Department of Finance and the Department of General Services shall approve or disapprove annual contract funding terms and conditions, including both family fee schedules and regional market rate schedules that are required to be adhered to by contract, and contract face sheets submitted by the State Department of Education not more than 30 working days from the date of submission, unless unresolved conflicts remain between the Department of Finance, the State Department of Education, and the Department of General Services. The State Department of Education shall resolve conflicts within an additional 30 working day time period. Contracts and funding terms and conditions shall be issued to child care contractors no later than June 1. Applications for new child care funding shall be issued not more than 45 working days after the effective date of authorized new allocations of child care moneys.

(2) Notwithstanding paragraph (1), for the 2006–07 fiscal year, the State Department of Education shall implement the regional market rate schedules based upon the county aggregates, as determined by the Regional Market survey conducted in 2005. The regional market rate schedules shall be implemented no later than 90 days after the enactment of the 2006 Budget Act.

(3) Notwithstanding paragraph (1), for the 2006–07 fiscal year, the State Department of Education shall update the family fee schedules by family size, based on the 2005 state median income survey data for a family of four. The family fee schedule used during the 2005–06 fiscal year shall remain in effect. However, the department shall adjust the family fee schedule for families that are newly eligible to receive or will

continue to receive services under the new income eligibility limits. The family fees shall not exceed 10 percent of the family's monthly income.

(4) It is the intent of the Legislature to fully fund the third stage of child care for CalWORKS recipients.

(c) With respect to subdivision (b), it is the intent of the Legislature that the Department of Finance annually review contract funding terms and conditions for the primary purpose of ensuring consistency between child care contracts and the child care budget. This review, shall include evaluating any proposed changes to contract language or other fiscal documents to which the contractor is required to adhere, including those changes to terms or conditions that authorize higher reimbursement rates, that modify related adjustment factors, that modify administrative or other service allowances, or that diminish fee revenues otherwise available for services, to determine if the change is necessary or has the potential effect of reducing the number of full-time equivalent children that may be served.

(d) Alternative payment child care systems, as set forth in Article 3 (commencing with Section 8220), shall be subject to the rates established in the Regional Market Rate Survey of California Child Care Providers for provider payments. The State Department of Education shall contract to conduct and complete the annual Regional Market Rate Survey with a goal of completion by March 1.

(e) By March 1 of each year, the Department of Finance shall provide to the State Department of Education the State Median Income amount for a four-person household in California based on the best available data. The State Department of Education shall adjust its fee schedule for child care providers to reflect this updated state median income.

(f) Notwithstanding the June 1 date specified in subdivision (b), changes to the regional market rate schedules and fee schedules may be made at any other time to reflect the availability of accurate data necessary for their completion, provided these documents receive the approval of the Department of Finance. The Department of Finance shall review the changes within 30 working days of submission and the State Department of Education shall resolve conflicts within an additional 30 working day period. Contractors shall be given adequate notice prior to the effective date of the approved schedules. It is the intent of the Legislature that contracts for services not be delayed by the timing of the availability of accurate data needed to update these schedules.

SEC. 4. Section 42921 of the Education Code is amended to read:

42921. (a) In addition to the six program sites specified in Section 42920, any county office of education, or consortium of county offices of education, may elect to apply to the Superintendent of Public Instruction for grant funding, to the extent funds are available, to operate an education-based foster youth services program to provide educational and support services for foster children who reside in a licensed foster home or county-operated juvenile detention facility. The provision of educational and support services to foster youth in licensed foster homes shall also

apply to foster youth services programs in operation as of July 1, 2006, and receiving grant funding.

(b) Each foster youth services program operated pursuant to this chapter, if sufficient funds are available, shall have at least one person identified as the foster youth educational services coordinator. The foster youth educational services coordinator shall facilitate the provision of educational services pursuant to subdivision (d) to any foster child in the county who is either under the jurisdiction of the juvenile court pursuant to Section 300 of the Welfare and Institutions Code or under the jurisdiction of the juvenile court pursuant to Section 601 or 602 of the Welfare and Institutions Code who is placed in a licensed foster home or county-operated juvenile detention facility. A program operated pursuant to this chapter may prescribe the methodology for determining which children may be served. Applicable methodologies may include, but are not limited to, serving specific age groups, serving children in specific geographic areas with the highest concentration of foster children or serving the children with the greatest academic need. It is the intent of the Legislature that children with the greatest need for services be identified as the first priority for foster youth services.

(c) The responsibilities of the foster youth educational services coordinator shall include, but shall not be limited to, all of the following:

(1) Working with the child welfare agency to minimize changes in school placement.

(2) Facilitating the prompt transfer of educational records, including the health and education passport, between educational institutions when placement changes are necessary.

(3) Providing education-related information to the child welfare agency to assist the child welfare agency to deliver services to foster children, including, but not limited to, educational status and progress information required for inclusion in court reports by Section 16010 of the Welfare and Institutions Code.

(4) Responding to requests from the juvenile court for information and working with the court to ensure the delivery or coordination of necessary educational services.

(5) Working to obtain and identify, and link children to, mentoring, tutoring, vocational training, and other services designed to enhance the educational prospects of foster children.

(6) Facilitating communication between the foster care provider, the teacher, and any other school staff or education service providers for the child.

(7) Sharing information with the foster care provider regarding available training programs that address education issues for children in foster care.

(8) Referring caregivers of foster youth who have special education needs to special education programs and services.

(d) Each foster youth services program operated pursuant to this chapter shall include guiding principles that establish a hierarchy of services, in accordance with the following order:

(1) Provide, or arrange for the referral to, tutoring services for foster youth.

(2) Provide, or arrange for the referral to, services that meet local needs identified through collaborative relationships and local advisory groups, which may include, but shall not be limited to, all of the following:

(A) Mentoring.

(B) Counseling.

(C) Transitioning services.

(D) Emancipation services.

(3) Facilitation of timely individualized education programs, in accordance with the Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), and of all special education services.

(4) Establishing collaborative relationships and local advisory groups.

(5) Establishing a mechanism for the efficient and expeditious transfer of health and education records and the health and education passport.

(e) For purposes of this section, “licensed foster home” means a licensed foster family home, certified foster family agency home, court-specified home, or licensed care institution (group home).

SEC. 5. Section 49561 of the Education Code is amended to read:

49561. (a) The department shall create a computerized data-matching system using existing databases from the department and the State Department of Health Services to directly certify recipients of the Food Stamp Program, the California Work Opportunity and Responsibility to Kids Act program (the CalWORKs program) (Ch. 2 (commencing with Sec. 11200), Pt. 3, Div. 9, W. & I.C.), and other programs authorized for direct certification under federal law, for enrollment in the National School Lunch and School Breakfast Programs. This subdivision does not include Medi-Cal benefits within the criteria for direct certification specified in the Child Nutrition and WIC Reauthorization Act of 2004 (P.L. 108-265).

(b) The department shall design a process using an existing agency database that will conform with data from the State Department of Health Services to meet the direct certification requirements of the National School Lunch Act, as amended, pursuant to Chapter 13 (commencing with Section 1751) of Title 42 of the United States Code, and the Child Nutrition Act of 1966, as amended, pursuant to Chapter 13A (commencing with Section 1771) of Title 42 of the United States Code.

(c) The department shall design a process using computerized data pursuant to subdivision (a) that will maximize enrollment in school meal programs and improve program integrity while ensuring that pupil privacy safeguards remain in place.

(d) (1) Each state agency identified in subdivision (a) is responsible for the maintenance and protection of data received by their respective agency. The state agency that possesses the data shall follow privacy and

confidentiality procedures consistent with all applicable state and federal law.

(2) Notwithstanding Section 10850 of the Welfare and Institutions Code, data that identify applicants for, or recipients of, public social services, may be transferred from existing databases maintained by the State Department of Health Services, in order to directly certify recipients of the Food Stamp Program, the CalWORKs program, and other programs authorized for direct certification under federal law, in compliance with subdivision (a). The Legislature hereby finds and declares that this paragraph is declaratory of existing law.

(e) The department shall determine the availability of and request or apply for, as appropriate, federal funds to assist the state in implementing new direct certification requirements mandated by federal law.

(f) This section shall become operative upon receipt of federal funds to assist the state in implementing new direct certification requirements mandated by federal law.

SEC. 5.1. Section 69519 is added to the Education Code, to read:

69519. (a) The commission, through an interagency agreement with the State Department of Social Services, currently operates a federally funded scholarship program that provides grant aid to provide access to California's current and former foster youth to postsecondary education. Funds provided through an appropriation by the Legislature shall be supplemental to funds provided by the federal government and are designated to ensure program availability in the absence of and prior to the annual receipt of federal funds for this purpose.

(b) Funds provided for this program shall be used to assist students who are current and former foster youth, for career and technical training or traditional college courses. The commission shall operate this program in accordance with the program instructions provided by the federal Department of Health and Human Services, Administration for Children and Families, and the program guidelines developed by the State Department of Social Services.

(c) The total amount of funding and the amount of individual awards shall depend upon the amount of federal funding provided in addition to state funding. The commission, in conjunction with the State Department of Social Services, shall determine the individual award amounts and total number of students awarded on an annual basis as the amount of total annual funding is determined.

SEC. 6. Section 17307 is added to the Family Code, to read:

17307. (a) The Legislature hereby finds and declares that the Department of Child Support Services has the authority and discretion to prevent, correct, or remedy the effects of changes in the timing of the receipt of child support payments resulting solely from the initial implementation of the federally required State Disbursement Unit. This authority shall not be construed to supplant existing statutory appropriation and technology project approval processes, limits, and requirements.

(b) The Legislature hereby finds and declares that this section is declaratory of existing law.

SEC. 7. Section 17433.5 is added to the Family Code, to read:

17433.5. In any action enforced pursuant to this article, no interest shall accrue on an obligation for current child, spousal, family, or medical support due in a given month until the first day of the following month.

SEC. 8. Section 17560 of the Family Code is amended to read:

17560. (a) The department shall create a program establishing an arrear collection enhancement process pursuant to which the department may accept offers in compromise of child support arrears and interest accrued thereon owed to the state for reimbursement of aid paid pursuant to Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code. The program shall operate uniformly across California and shall take into consideration the needs of the children subject to the child support order and the obligor's ability to pay.

(b) If the obligor owes current child support, the offer in compromise shall require the obligor to be in compliance with the current support order for a set period of time before any arrears and interest accrued thereon may be compromised.

(c) Absent a finding of good cause, any offer in compromise entered into pursuant to this section shall be rescinded, all compromised liabilities shall be reestablished notwithstanding any statute of limitations that otherwise may be applicable, and no portion of the amount offered in compromise may be refunded, if either of the following occurs:

(1) The department or local child support agency determines that the obligor did any of the following acts regarding the offer in compromise:

(A) Concealed from the department or local child support agency any income, assets, or other property belonging to the obligor or any reasonably anticipated receipt of income, assets, or other property.

(B) Intentionally received, withheld, destroyed, mutilated, or falsified any information, document, or record, or intentionally made any false statement, relating to the financial conditions of the obligor.

(2) The obligor fails to comply with any of the terms and conditions of the offer in compromise.

(d) Pursuant to subdivision (k) of Section 17406, in no event may the administrator, director, or director's designee within the department, accept an offer in compromise of any child support arrears owed directly to the custodial party unless that party consents to the offer in compromise in writing and participates in the agreement. Prior to giving consent, the custodial party shall be provided with a clear written explanation of the rights with respect to child support arrears owed to the custodial party and the compromise thereof.

(e) Subject to the requirements of this section, the director may delegate to the administrator of a local child support agency the authority to compromise an amount of child support arrears that does not exceed five thousand dollars (\$5,000). Only the director or his or her designee may

compromise child support arrears in excess of five thousand dollars (\$5,000).

(f) For an amount to be compromised under this section, the following conditions shall exist:

(1) (A) The administrator, director or director's designee within the department determines that acceptance of an offer in compromise is in the best interest of the state and that the compromise amount equals or exceeds what the state can expect to collect for reimbursement of aid paid pursuant to Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code in the absence of the compromise, based on the obligor's ability to pay.

(B) Acceptance of an offer in compromise shall be deemed to be in the best interest of the state, absent a finding of good cause to the contrary, with regard to arrears that accrued as a result of a decrease in income when an obligor was a reservist or member of the National Guard, was activated to United States military service, and failed to modify the support order to reflect the reduction in income. Good cause to find that the compromise is not in the best interest of the state shall include circumstances in which the service member's failure to seek, or delay in seeking, the modification were not reasonable under the circumstances faced by the service member. The director, no later than 90 days after the effective date of the act adding this subparagraph, shall establish rules that compromise, at a minimum, the amount of support that would not have accrued had the order been modified to reflect the reduced income earned during the period of active military service.

(2) Any other terms and conditions that the director establishes that may include, but may not be limited to, paying current support in a timely manner, making lump-sum payments, and paying arrears in exchange for compromise of interest owed.

(3) The obligor shall provide evidence of income and assets, including, but not limited to, wage stubs, tax returns, and bank statements and establish all of the following:

(A) That the amount set forth in the offer in compromise of arrears owed is the most that can be expected to be paid or collected from the obligor's present assets or income.

(B) That the obligor does not have reasonable prospects of acquiring increased income or assets that would enable the obligor to satisfy a greater amount of the child support arrears than the amount offered, within a reasonable period of time.

(C) That the obligor has not withheld payment of child support in anticipation of the offers in compromise program.

(g) A determination by the administrator, director or the director's designee within the department that it would not be in the best interest of the state to accept an offer in compromise in satisfaction of child support arrears shall be final and not subject to the provisions of Chapter 5 (commencing with Section 17800) of Division 17, or subject to judicial review.

(h) Any offer in compromise entered into pursuant to this section shall be filed with the appropriate court. The local child support agency shall notify the court if the compromise is rescinded pursuant to subdivision (c).

(i) Any compromise of child support arrears pursuant to this section shall maximize to the greatest extent possible the state's share of the federal performance incentives paid pursuant to the Child Support Performance and Incentive Act of 1998 and shall comply with federal law.

(j) The department shall ensure uniform application of this section across the state.

(k) The department shall consult with the Franchise Tax Board in the development of the program established pursuant to this section.

(l) The department shall report to the Legislature on the results of the program established pursuant to this section no later than January 1, 2008.

(m) This section shall remain in effect only until July 1, 2008, and as of that date is repealed unless a later enacted statute, that is enacted before July 1, 2008, deletes or extends that date. A local child support agency shall honor repayment schedules for the compromise program beyond June 30, 2008, in order to allow for successful completion of the compromise agreements.

SEC. 9. Section 17706 of the Family Code is amended to read:

17706. (a) It is the intent of the Legislature to encourage counties to elevate the visibility and significance of the child support enforcement program in the county. To advance this goal, effective July 1, 2000, the counties with the 10 best performance standards pursuant to clause (ii) of subparagraph (B) of paragraph (2) of subdivision (b) of Section 17704 shall receive an additional 5 percent of the state's share of those counties' collections that are used to reduce or repay aid that is paid pursuant to Article 6 (commencing with Section 11450) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code. The counties shall use the increased recoupment for child support-related activities that may not be eligible for federal child support funding under Part D of Title IV of the Social Security Act, including, but not limited to, providing services to parents to help them better support their children financially, medically, and emotionally.

(b) The operation of subdivision (a) shall be suspended for the 2002–03, 2003–04, 2004–05, 2005–06, and 2006–07 fiscal years.

SEC. 10. Section 1522 of the Health and Safety Code is amended to read:

1522. The Legislature recognizes the need to generate timely and accurate positive fingerprint identification of applicants as a condition of issuing licenses, permits, or certificates of approval for persons to operate or provide direct care services in a community care facility, foster family home, or a certified family home of a licensed foster family agency. Therefore, the Legislature supports the use of the fingerprint live-scan technology, as identified in the long-range plan of the Department of Justice for fully automating the processing of fingerprints and other data by the year 1999, otherwise known as the California Crime Information

Intelligence System (CAL-CII), to be used for applicant fingerprints. It is the intent of the Legislature in enacting this section to require the fingerprints of those individuals whose contact with community care clients may pose a risk to the clients' health and safety.

(a) (1) Before issuing a license or special permit to any person or persons to operate or manage a community care facility, the State Department of Social Services shall secure from an appropriate law enforcement agency a criminal record to determine whether the applicant or any other person specified in subdivision (b) has ever been convicted of a crime other than a minor traffic violation or arrested for any crime specified in Section 290 of the Penal Code, for violating Section 245 or 273.5, of the Penal Code, subdivision (b) of Section 273a of the Penal Code, or, prior to January 1, 1994, paragraph (2) of Section 273a of the Penal Code, or for any crime for which the department cannot grant an exemption if the person was convicted and the person has not been exonerated.

(2) The criminal history information shall include the full criminal record, if any, of those persons, and subsequent arrest information pursuant to Section 11105.2 of the Penal Code.

(3) Except during the 2003–04, 2004–05, 2005–06, 2006–07, and 2007–08 fiscal years, neither the Department of Justice nor the State Department of Social Services may charge a fee for the fingerprinting of an applicant for a license or special permit to operate a facility providing nonmedical board, room, and care for six or less children or for obtaining a criminal record of the applicant pursuant to this section.

(4) The following shall apply to the criminal record information:

(A) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b), has been convicted of a crime other than a minor traffic violation, the application shall be denied, unless the director grants an exemption pursuant to subdivision (g).

(B) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b) is awaiting trial for a crime other than a minor traffic violation, the State Department of Social Services may cease processing the application until the conclusion of the trial.

(C) If no criminal record information has been recorded, the Department of Justice shall provide the applicant and the State Department of Social Services with a statement of that fact.

(D) If the State Department of Social Services finds after licensure that the licensee, or any other person specified in paragraph (2) of subdivision (b), has been convicted of a crime other than a minor traffic violation, the license may be revoked, unless the director grants an exemption pursuant to subdivision (g).

(E) An applicant and any other person specified in subdivision (b) shall submit a second set of fingerprints to the Department of Justice for the purpose of searching the criminal records of the Federal Bureau of Investigation, in addition to the criminal records search required by this

subdivision. If an applicant and all other persons described in subdivision (b) meet all of the conditions for licensure, except receipt of the Federal Bureau of Investigation's criminal history information for the applicant or any of the persons described in subdivision (b), the department may issue a license if the applicant and each person described in subdivision (b) has signed and submitted a statement that he or she has never been convicted of a crime in the United States, other than a traffic infraction, as defined in paragraph (1) of subdivision (a) of Section 42001 of the Vehicle Code. If, after licensure, the department determines that the licensee or any other person specified in subdivision (b) has a criminal record, the license may be revoked pursuant to Section 1550. The department may also suspend the license pending an administrative hearing pursuant to Section 1550.5.

(b) (1) In addition to the applicant, this section shall be applicable to criminal convictions of the following persons:

(A) Adults responsible for administration or direct supervision of staff.

(B) Any person, other than a client, residing in the facility.

(C) Any person who provides client assistance in dressing, grooming, bathing, or personal hygiene. Any nurse assistant or home health aide meeting the requirements of Section 1338.5 or 1736.6, respectively, who is not employed, retained, or contracted by the licensee, and who has been certified or recertified on or after July 1, 1998, shall be deemed to meet the criminal record clearance requirements of this section. A certified nurse assistant and certified home health aide who will be providing client assistance and who falls under this exemption shall provide one copy of his or her current certification, prior to providing care, to the community care facility. The facility shall maintain the copy of the certification on file as long as care is being provided by the certified nurse assistant or certified home health aide at the facility. Nothing in this paragraph restricts the right of the department to exclude a certified nurse assistant or certified home health aide from a licensed community care facility pursuant to Section 1558.

(D) Any staff person, volunteer, or employee who has contact with the clients.

(E) If the applicant is a firm, partnership, association, or corporation, the chief executive officer or other person serving in like capacity.

(F) Additional officers of the governing body of the applicant, or other persons with a financial interest in the applicant, as determined necessary by the department by regulation. The criteria used in the development of these regulations shall be based on the person's capability to exercise substantial influence over the operation of the facility.

(2) The following persons are exempt from the requirements applicable under paragraph (1):

(A) A medical professional as defined in department regulations who holds a valid license or certification from the person's governing California medical care regulatory entity and who is not employed, retained, or contracted by the licensee if all of the following apply:

(i) The criminal record of the person has been cleared as a condition of licensure or certification by the person's governing California medical care regulatory entity.

(ii) The person is providing time-limited specialized clinical care or services.

(iii) The person is providing care or services within the person's scope of practice.

(iv) The person is not a community care facility licensee or an employee of the facility.

(B) A third-party repair person or similar retained contractor if all of the following apply:

(i) The person is hired for a defined, time-limited job.

(ii) The person is not left alone with clients.

(iii) When clients are present in the room in which the repairperson or contractor is working, a staff person who has a criminal record clearance or exemption is also present.

(C) Employees of a licensed home health agency and other members of licensed hospice interdisciplinary teams who have a contract with a client or resident of the facility and are in the facility at the request of that client or resident's legal decisionmaker. The exemption does not apply to a person who is a community care facility licensee or an employee of the facility.

(D) Clergy and other spiritual caregivers who are performing services in common areas of the community care facility or who are advising an individual client at the request of, or with the permission of, the client or legal decisionmaker, are exempt from fingerprint and criminal background check requirements imposed by community care licensing. This exemption does not apply to a person who is a community care licensee or employee of the facility.

(E) Members of fraternal, service, or similar organizations who conduct group activities for clients if all of the following apply:

(i) Members are not left alone with clients.

(ii) Members do not transport clients off the facility premises.

(iii) The same organization does not conduct group activities for clients more often than defined by the department's regulations.

(3) In addition to the exemptions in paragraph (2), the following persons in foster family homes, certified family homes, and small family homes are exempt from the requirements applicable under paragraph (1):

(A) Adult friends and family of the licensed or certified foster parent, who come into the home to visit for a length of time no longer than defined by the department in regulations, provided that the adult friends and family of the licensee are not left alone with the foster children. However, the licensee, acting as a reasonable and prudent parent, as defined in paragraph (2) of subdivision (a) of Section 362.04 of the Welfare and Institutions Code, may allow his or her adult friends and family to provide short-term care to the foster child and act as an appropriate occasional short-term babysitter for the child.

(B) Parents of a foster child's friends when the foster child is visiting the friend's home and the friend, licensed or certified foster parent, or both are also present. However, the licensee, acting as a reasonable and prudent parent, may allow the parent of the foster child's friends to act as an appropriate short-term babysitter for the child without the friend being present.

(C) Individuals who are engaged by any licensed or certified foster parent to provide short-term care to the child for periods not to exceed 24 hours. Caregivers shall use a reasonable and prudent parent standard in selecting appropriate individuals to act as appropriate occasional short-term babysitters.

(4) In addition to the exemptions specified in paragraph (2), the following persons in adult day care and adult day support centers are exempt from the requirements applicable under paragraph (1):

(A) Unless contraindicated by the client's individualized program plan (IPP) or needs and service plan, a spouse, significant other, relative, or close friend of a client, or an attendant or a facilitator for a client with a developmental disability if the attendant or facilitator is not employed, retained, or contracted by the licensee. This exemption applies only if the person is visiting the client or providing direct care and supervision to the client.

(B) A volunteer if all of the following applies:

(i) The volunteer is supervised by the licensee or a facility employee with a criminal record clearance or exemption.

(ii) The volunteer is never left alone with clients.

(iii) The volunteer does not provide any client assistance with dressing, grooming, bathing, or personal hygiene other than washing of hands.

(5) (A) In addition to the exemptions specified in paragraph (2), the following persons in adult residential and social rehabilitation facilities, unless contraindicated by the client's individualized program plan (IPP) or needs and services plan, are exempt from the requirements applicable under paragraph (1): a spouse, significant other, relative, or close friend of a client, or an attendant or a facilitator for a client with a developmental disability if the attendant or facilitator is not employed, retained, or contracted by the licensee. This exemption applies only if the person is visiting the client or providing direct care and supervision to that client.

(B) Nothing in this subdivision shall prevent a licensee from requiring a criminal record clearance of any individual exempt from the requirements of this section, provided that the individual has client contact.

(6) Any person similar to those described in this subdivision, as defined by the department in regulations.

(c) (1) Subsequent to initial licensure, any person specified in subdivision (b) and not exempted from fingerprinting shall, as a condition to employment, residence, or presence in a community care facility, be fingerprinted and sign a declaration under penalty of perjury regarding any prior criminal convictions. The licensee shall submit these fingerprints to

the Department of Justice, along with a second set of fingerprints for the purpose of searching the records of the Federal Bureau of Investigation, or to comply with paragraph (1) of subdivision (h), prior to the person's employment, residence, or initial presence in the community care facility. These fingerprints shall be on a card provided by the State Department of Social Services or sent by electronic transmission in a manner approved by the State Department of Social Services and the Department of Justice for the purpose of obtaining a permanent set of fingerprints, and shall be submitted to the Department of Justice by the licensee. A licensee's failure to submit fingerprints to the Department of Justice or to comply with paragraph (1) of subdivision (h), as required in this section, shall result in the citation of a deficiency and the immediate assessment of civil penalties in the amount of one hundred dollars (\$100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars (\$100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1550. The department may assess civil penalties for continued violations as permitted by Section 1548. The fingerprints shall then be submitted to the State Department of Social Services for processing. Upon request of the licensee, who shall enclose a self-addressed stamped postcard for this purpose, the Department of Justice shall verify receipt of the fingerprints.

(2) Within 14 calendar days of the receipt of the fingerprints, the Department of Justice shall notify the State Department of Social Services of the criminal record information, as provided for in subdivision (a). If no criminal record information has been recorded, the Department of Justice shall provide the licensee and the State Department of Social Services with a statement of that fact within 14 calendar days of receipt of the fingerprints. Documentation of the individual's clearance or exemption shall be maintained by the licensee and be available for inspection. If new fingerprints are required for processing, the Department of Justice shall, within 14 calendar days from the date of receipt of the fingerprints, notify the licensee that the fingerprints were illegible. When live-scan technology is operational, as defined in Section 1522.04, the Department of Justice shall notify the State Department of Social Services, as required by that section, and shall also notify the licensee by mail, within 14 days of electronic transmission of the fingerprints to the Department of Justice, if the person has no criminal history recorded. A violation of the regulations adopted pursuant to Section 1522.04 shall result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars (\$100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars (\$100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1550.

The department may assess civil penalties for continued violations as permitted by Section 1548.

(3) Except for persons specified in paragraph (2) of subdivision (b), the licensee shall endeavor to ascertain the previous employment history of persons required to be fingerprinted under this subdivision. If it is determined by the State Department of Social Services, on the basis of the fingerprints submitted to the Department of Justice, that the person has been convicted of, or is awaiting trial for, a sex offense against a minor, or has been convicted for an offense specified in Section 243.4, 273a, 273d, 273g, or 368 of the Penal Code, or a felony, the State Department of Social Services shall notify the licensee to act immediately to terminate the person's employment, remove the person from the community care facility, or bar the person from entering the community care facility. The State Department of Social Services may subsequently grant an exemption pursuant to subdivision (g). If the conviction or arrest was for another crime, except a minor traffic violation, the licensee shall, upon notification by the State Department of Social Services, act immediately to either (A) terminate the person's employment, remove the person from the community care facility, or bar the person from entering the community care facility; or (B) seek an exemption pursuant to subdivision (g). The State Department of Social Services shall determine if the person shall be allowed to remain in the facility until a decision on the exemption is rendered. A licensee's failure to comply with the department's prohibition of employment, contact with clients, or presence in the facility as required by this paragraph shall be grounds for disciplining the licensee pursuant to Section 1550.

(4) The department may issue an exemption on its own motion pursuant to subdivision (g) if the person's criminal history indicates that the person is of good character based on the age, seriousness, and frequency of the conviction or convictions. The department, in consultation with interested parties, shall develop regulations to establish the criteria to grant an exemption pursuant to this paragraph.

(5) Concurrently with notifying the licensee pursuant to paragraph (3), the department shall notify the affected individual of his or her right to seek an exemption pursuant to subdivision (g). The individual may seek an exemption only if the licensee terminates the person's employment or removes the person from the facility after receiving notice from the department pursuant to paragraph (3).

(d) (1) Before issuing a license, special permit, or certificate of approval to any person or persons to operate or manage a foster family home or certified family home as described in Section 1506, the State Department of Social Services or other approving authority shall secure from an appropriate law enforcement agency a criminal record to determine whether the applicant or any person specified in subdivision (b) has ever been convicted of a crime other than a minor traffic violation or arrested for any crime specified in Section 290 of the Penal Code, for violating Section 245 or 273.5, subdivision (b) of Section 273a or, prior to

January 1, 1994, paragraph (2) of Section 273a of the Penal Code, or for any crime for which the department cannot grant an exemption if the person was convicted and the person has not been exonerated.

(2) The criminal history information shall include the full criminal record, if any, of those persons.

(3) Neither the Department of Justice nor the State Department of Social Services may charge a fee for the fingerprinting of an applicant for a license, special permit, or certificate of approval described in this subdivision. The record, if any, shall be taken into consideration when evaluating a prospective applicant.

(4) The following shall apply to the criminal record information:

(A) If the applicant or other persons specified in subdivision (b) have convictions that would make the applicant's home unfit as a foster family home or a certified family home, the license, special permit, or certificate of approval shall be denied.

(B) If the State Department of Social Services finds that the applicant, or any person specified in subdivision (b) is awaiting trial for a crime other than a minor traffic violation, the State Department of Social Services or other approving authority may cease processing the application until the conclusion of the trial.

(C) For the purposes of this subdivision, a criminal record clearance provided under Section 8712 of the Family Code may be used by the department or other approving agency.

(D) An applicant for a foster family home license or for certification as a family home, and any other person specified in subdivision (b), shall submit a set of fingerprints to the Department of Justice for the purpose of searching the criminal records of the Federal Bureau of Investigation, in addition to the criminal records search required by subdivision (a). If an applicant meets all other conditions for licensure, except receipt of the Federal Bureau of Investigation's criminal history information for the applicant and all persons described in subdivision (b), the department may issue a license, or the foster family agency may issue a certificate of approval, if the applicant, and each person described in subdivision (b), has signed and submitted a statement that he or she has never been convicted of a crime in the United States, other than a traffic infraction, as defined in paragraph (1) of subdivision (a) of Section 42001 of the Vehicle Code. If, after licensure or certification, the department determines that the licensee, certified foster parent, or any person specified in subdivision (b) has a criminal record, the license may be revoked pursuant to Section 1550 and the certificate of approval revoked pursuant to subdivision (b) of Section 1534. The department may also suspend the license pending an administrative hearing pursuant to Section 1550.5.

(5) Any person specified in this subdivision shall, as a part of the application, be fingerprinted and sign a declaration under penalty of perjury regarding any prior criminal convictions or arrests for any crime against a child, spousal or cohabitant abuse or, any crime for which the department cannot grant an exemption if the person was convicted and

shall submit these fingerprints to the licensing agency or other approving authority.

(6) (A) The foster family agency shall obtain fingerprints from certified home applicants and from persons specified in subdivision (b) and shall submit them directly to the Department of Justice or send them by electronic transmission in a manner approved by the State Department of Social Services. A foster family home licensee or foster family agency shall submit these fingerprints to the Department of Justice, along with a second set of fingerprints for the purpose of searching the records of the Federal Bureau of Investigation or to comply with paragraph (1) of subdivision (b) prior to the person's employment, residence, or initial presence. A foster family agency's failure to submit fingerprints to the Department of Justice, or comply with paragraph (1) of subdivision (h), as required in this section, shall result in a citation of a deficiency, and the immediate civil penalties of one hundred dollars (\$100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars (\$100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1550. A violation of the regulation adopted pursuant to Section 1522.04 shall result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars (\$100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars (\$100) per violation for a maximum of 30 days, and shall be grounds for disciplining the foster family agency pursuant to Section 1550. A licensee's failure to submit fingerprints to the Department of Justice, or comply with paragraph (1) of subdivision (h), as required in this section, may result in the citation of a deficiency and immediate civil penalties of one hundred dollars (\$100) per violation. A licensee's violation of regulations adopted pursuant to Section 1522.04 may result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars (\$100) per violation. The State Department of Social Services may assess penalties for continued violations, as permitted by Section 1548. The fingerprints shall then be submitted to the State Department of Social Services for processing.

(B) Upon request of the licensee, who shall enclose a self-addressed envelope for this purpose, the Department of Justice shall verify receipt of the fingerprints. Within five working days of the receipt of the criminal record or information regarding criminal convictions from the Department of Justice, the department shall notify the applicant of any criminal arrests or convictions. If no arrests or convictions are recorded, the Department of Justice shall provide the foster family home licensee or the foster family agency with a statement of that fact concurrent with providing the information to the State Department of Social Services.

(7) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b), has been convicted of a crime other than a minor traffic violation, the application shall be denied, unless the director grants an exemption pursuant to subdivision (g).

(8) If the State Department of Social Services finds after licensure or the granting of the certificate of approval that the licensee, certified foster parent, or any other person specified in paragraph (2) of subdivision (b), has been convicted of a crime other than a minor traffic violation, the license or certificate of approval may be revoked by the department or the foster family agency, whichever is applicable, unless the director grants an exemption pursuant to subdivision (g). A licensee's failure to comply with the department's prohibition of employment, contact with clients, or presence in the facility as required by paragraph (3) of subdivision (c) shall be grounds for disciplining the licensee pursuant to Section 1550.

(e) The State Department of Social Services may not use a record of arrest to deny, revoke, or terminate any application, license, employment, or residence unless the department investigates the incident and secures evidence, whether or not related to the incident of arrest, that is admissible in an administrative hearing to establish conduct by the person that may pose a risk to the health and safety of any person who is or may become a client. The State Department of Social Services is authorized to obtain any arrest or conviction records or reports from any law enforcement agency as necessary to the performance of its duties to inspect, license, and investigate community care facilities and individuals associated with a community care facility.

(f) (1) For purposes of this section or any other provision of this chapter, a conviction means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action that the State Department of Social Services is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, when the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, notwithstanding a subsequent order pursuant to Sections 1203.4 and 1203.4a of the Penal Code permitting the person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment. For purposes of this section or any other provision of this chapter, the record of a conviction, or a copy thereof certified by the clerk of the court or by a judge of the court in which the conviction occurred, shall be conclusive evidence of the conviction. For purposes of this section or any other provision of this chapter, the arrest disposition report certified by the Department of Justice, or documents admissible in a criminal action pursuant to Section 969b of the Penal Code, shall be prima facie evidence of the conviction, notwithstanding any other provision of law prohibiting the admission of these documents in a civil or administrative action.

(2) For purposes of this section or any other provision of this chapter, the department shall consider criminal convictions from another state or federal court as if the criminal offense was committed in this state.

(g) (1) After review of the record, the director may grant an exemption from disqualification for a license or special permit as specified in paragraphs (1) and (4) of subdivision (a), or for a license, special permit, or certificate of approval as specified in paragraphs (4) and (5) of subdivision (d), or for employment, residence, or presence in a community care facility as specified in paragraphs (3), (4), and (5) of subdivision (c), if the director has substantial and convincing evidence to support a reasonable belief that the applicant and the person convicted of the crime, if other than the applicant, are of good character as to justify issuance of the license or special permit or granting an exemption for purposes of subdivision (c). Except as otherwise provided in this subdivision, an exemption may not be granted pursuant to this subdivision if the conviction was for any of the following offenses:

(A) (i) An offense specified in Section 220, 243.4, or 264.1, subdivision (a) of Section 273a or, prior to January 1, 1994, paragraph (1) of Section 273a, Section 273d, 288, or 289, subdivision (a) of Section 290, or Section 368 of the Penal Code, or was a conviction of another crime against an individual specified in subdivision (c) of Section 667.5 of the Penal Code.

(ii) Notwithstanding clause (i), the director may grant an exemption regarding the conviction for an offense described in paragraph (1), (2), (7), or (8) of subdivision (c) of Section 667.5 of the Penal Code, if the employee or prospective employee has been rehabilitated as provided in Section 4852.03 of the Penal Code, has maintained the conduct required in Section 4852.05 of the Penal Code for at least 10 years, and has the recommendation of the district attorney representing the employee's county of residence, or if the employee or prospective employee has received a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code.

(B) A felony offense specified in Section 729 of the Business and Professions Code or Section 206 or 215, subdivision (a) of Section 347, subdivision (b) of Section 417, or subdivision (a) of Section 451 of the Penal Code.

(2) The department may not prohibit a person from being employed or having contact with clients in a facility on the basis of a denied criminal record exemption request or arrest information unless the department complies with the requirements of Section 1558.

(h) (1) For purposes of compliance with this section, the department may permit an individual to transfer a current criminal record clearance, as defined in subdivision (a), from one facility to another, as long as the criminal record clearance has been processed through a state licensing district office, and is being transferred to another facility licensed by a state licensing district office. The request shall be in writing to the State Department of Social Services, and shall include a copy of the person's

driver's license or valid identification card issued by the Department of Motor Vehicles, or a valid photo identification issued by another state or the United States government if the person is not a California resident. Upon request of the licensee, who shall enclose a self-addressed envelope for this purpose, the State Department of Social Services shall verify whether the individual has a clearance that can be transferred.

(2) The State Department of Social Services shall hold criminal record clearances in its active files for a minimum of two years after an employee is no longer employed at a licensed facility in order for the criminal record clearance to be transferred.

(3) The following shall apply to a criminal record clearance or exemption from the department or a county office with department-delegated licensing authority:

(A) A county office with department-delegated licensing authority may accept a clearance or exemption from the department.

(B) The department may accept a clearance or exemption from any county office with department-delegated licensing authority.

(C) A county office with department-delegated licensing authority may accept a clearance or exemption from any other county office with department-delegated licensing authority.

(4) With respect to notifications issued by the Department of Justice pursuant to Section 11105.2 of the Penal Code concerning an individual whose criminal record clearance was originally processed by the department or a county office with department-delegated licensing authority, all of the following shall apply:

(A) The Department of Justice shall process a request from the department or a county office with department-delegated licensing authority to receive the notice only if all of the following conditions are met:

(i) The request shall be submitted to the Department of Justice by the agency to be substituted to receive the notification.

(ii) The request shall be for the same applicant type as the type for which the original clearance was obtained.

(iii) The request shall contain all prescribed data elements and format protocols pursuant to a written agreement between the department and the Department of Justice.

(B) (i) On or before January 7, 2005, the department shall notify the Department of Justice of all county offices that have department-delegated licensing authority.

(ii) The department shall notify the Department of Justice within 15 calendar days of the date on which a new county office receives department-delegated licensing authority or a county's delegated licensing authority is rescinded.

(C) The Department of Justice shall charge the department or a county office with department-delegated licensing authority a fee for each time a request to substitute the recipient agency is received for purposes of this paragraph. This fee shall not exceed the cost of providing the service.

(i) The full criminal record obtained for purposes of this section may be used by the department or by a licensed adoption agency as a clearance required for adoption purposes.

(j) If a licensee or facility is required by law to deny employment or to terminate employment of any employee based on written notification from the state department that the employee has a prior criminal conviction or is determined unsuitable for employment under Section 1558, the licensee or facility shall not incur civil liability or unemployment insurance liability as a result of that denial or termination.

(k) (1) The Department of Justice shall coordinate with the State Department of Social Services to establish and implement an automated live-scan processing system for fingerprints in the district offices of the Community Care Licensing Division of the State Department of Social Services by July 1, 1999. These live-scan processing units shall be connected to the main system at the Department of Justice by July 1, 1999, and shall become part of that department's pilot project in accordance with its long-range plan. The State Department of Social Services may charge a fee for the costs of processing a set of live-scan fingerprints.

(2) The Department of Justice shall provide a report to the Senate and Assembly fiscal committees, the Assembly Human Services Committee, and to the Senate Health and Human Services Committee by April 15, 1999, regarding the completion of backlogged criminal record clearance requests for all facilities licensed by the State Department of Social Services and the progress on implementing the automated live-scan processing system in the two district offices pursuant to paragraph (1).

(l) Amendments to this section made in the 1999 portion of the 1999–2000 Regular Session shall be implemented commencing 60 days after the effective date of the act amending this section in the 1999 portion of the 1999–2000 Regular Session, except that those provisions for the submission of fingerprints for searching the records of the Federal Bureau of Investigation shall be implemented 90 days after the effective date of that act.

SEC. 11. Section 1522.08 is added to the Health and Safety Code, to read:

1522.08. (a) In order to protect the health and safety of persons receiving care or services from individuals or facilities licensed or certified by the state, departments under the jurisdiction of the California Health and Human Services Agency may share information between departments within the agency with respect to applicants, licensees, certificants, or individuals who have been the subject of any disciplinary action resulting in the denial, suspension, probation, or revocation of a license, permit, or certificate, or in the exclusion of any person from a facility, as otherwise provided by law. The State Department of Social Services shall maintain a centralized system for the monitoring and tracking of administrative disciplinary actions, to be used by all departments under the jurisdiction of the California Health and Human Services Agency as a part of the background check process.

(b) The State Department of Social Services, in consultation with the other departments under the jurisdiction of the California Health and Human Services Agency, may adopt regulations to implement this section.

(c) The State Department of Social Services may charge a fee to departments under the jurisdiction of the California Health and Human Services Agency sufficient to cover the cost of providing those departments with the disciplinary record information specified in subdivision (a).

SEC. 13. Section 1534 of the Health and Safety Code is amended to read:

1534. (a) (1) Every licensed community care facility shall be subject to unannounced visits by the department. The department shall visit these facilities as often as necessary to ensure the quality of care provided.

(A) The department shall conduct an annual unannounced visit to a facility under any of the following circumstances:

(i) When a license is on probation.

(ii) When the terms of agreement in a facility compliance plan require an annual evaluation.

(iii) When an accusation against a licensee is pending.

(iv) When a facility requires an annual visit as a condition of receiving federal financial participation.

(v) In order to verify that a person who has been ordered out of a facility by the department is no longer at the facility.

(B) The department shall conduct annual unannounced visits to no less than 20 percent of facilities not subject to an evaluation under subparagraph (A). These unannounced visits shall be conducted based on a random sampling methodology developed by the department. If the total citations issued by the department exceed the previous year's total by 10 percent, the following year the department shall increase the random sample by an additional 10 percent of the facilities not subject to an evaluation under subparagraph (A). The department may request additional resources to increase the random sample by 10 percent.

(C) Under no circumstance shall the department visit a community care facility less often than once every five years.

(D) In order to facilitate direct contact with group home clients, the department may interview children who are clients of group homes at any public agency or private agency at which the client may be found, including, but not limited to, a juvenile hall, recreation or vocational program, or a nonpublic school. The department shall respect the rights of the child while conducting the interview, including informing the child that he or she has the right not to be interviewed and the right to have another adult present during the interview.

(2) The department shall notify the community care facility in writing of all deficiencies in its compliance with the provisions of this chapter and the rules and regulations adopted pursuant to this chapter, and shall set a reasonable length of time for compliance by the facility.

(3) Reports on the results of each inspection, evaluation, or consultation shall be kept on file in the department, and all inspection reports, consultation reports, lists of deficiencies, and plans of correction shall be open to public inspection in the county in which the facility is located.

(b) (1) Nothing in this section shall limit the authority of the department to inspect or evaluate a licensed foster family agency, a certified family home, or any aspect of a program where a licensed community care facility is certifying compliance with licensing requirements.

(2) Upon a finding of noncompliance by the department, the department may require a foster family agency to deny or revoke the certificate of approval of a certified family home, or take other action the department may deem necessary for the protection of a child placed with the family home. The family home shall be afforded the due process provided pursuant to this chapter.

(3) If the department requires a foster family agency to deny or revoke the certificate of approval, the department shall serve an order of denial or revocation upon the certified or prospective foster parent and foster family agency that shall notify the certified or prospective foster parent of the basis of the department's action and of the certified or prospective foster parent's right to a hearing.

(4) Within 15 days after the department serves an order of denial or revocation, the certified or prospective foster parent may file a written appeal of the department's decision with the department. The department's action shall be final if the certified or prospective foster parent does not file a written appeal within 15 days after the department serves the denial or revocation order.

(5) The department's order of the denial or revocation of the certificate of approval shall remain in effect until the hearing is completed and the director has made a final determination on the merits.

(6) A certified or prospective foster parent who files a written appeal of the department's order with the department pursuant to this section shall, as part of the written request, provide his or her current mailing address. The certified or prospective foster parent shall subsequently notify the department in writing of any change in mailing address, until the hearing process has been completed or terminated.

(7) Hearings held pursuant to this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Division 3 of Title 2 of the Government Code. In all proceedings conducted in accordance with this section the standard of proof shall be by a preponderance of the evidence.

(8) The department may institute or continue a disciplinary proceeding against a certified or prospective foster parent upon any ground provided by this section, enter an order denying or revoking the certificate of approval, or otherwise take disciplinary action against the certified or prospective foster parent, notwithstanding any resignation, withdrawal of

application, surrender of the certificate of approval, or denial or revocation of the certificate of approval by the foster family agency.

(9) A foster family agency's failure to comply with the department's order to deny or revoke the certificate of employment by placing or retaining children in care shall be grounds for disciplining the licensee pursuant to Section 1550.

SEC. 16. Section 1569.33 of the Health and Safety Code is amended to read:

1569.33. (a) Every licensed residential care facility for the elderly shall be subject to unannounced visits by the department. The department shall visit these facilities as often as necessary to ensure the quality of care provided.

(b) The department shall conduct an annual unannounced visit of a facility under any of the following circumstances:

- (1) When a license is on probation.
- (2) When the terms of agreement in a facility compliance plan require an annual evaluation.
- (3) When an accusation against a licensee is pending.
- (4) When a facility requires an annual visit as a condition of receiving federal financial participation.
- (5) In order to verify that a person who has been ordered out of the facility for the elderly by the department is no longer at the facility.

(c) The department shall conduct annual unannounced visits to no less than 20 percent of facilities not subject to an evaluation under subdivision (b). These unannounced visits shall be conducted based on a random sampling methodology developed by the department. If the total citations issued by the department exceed the previous year's total by 10 percent, the following year the department shall increase the random sample by 10 percent of facilities not subject to an evaluation under subdivision (b). The department may request additional resources to increase the random sample by 10 percent.

(d) Under no circumstance shall the department visit a residential care facility for the elderly less often than once every five years.

(e) The department shall notify the residential care facility for the elderly in writing of all deficiencies in its compliance with the provisions of this chapter and the rules and regulations adopted pursuant to this chapter, and shall set a reasonable length of time for compliance by the facility.

(f) Reports on the results of each inspection, evaluation, or consultation shall be kept on file in the department, and all inspection reports, consultation reports, lists of deficiencies, and plans of correction shall be open to public inspection in the county in which the facility is located.

(g) As a part of the department's annual evaluation process, the department shall review the plan of operation, training logs, and marketing materials of any residential care facility for the elderly that advertises or promotes special care, special programming, or a special environment for

persons with dementia to monitor compliance with Sections 1569.626 and 1569.627.

SEC. 18. Section 1596.871 of the Health and Safety Code is amended to read:

1596.871. The Legislature recognizes the need to generate timely and accurate positive fingerprint identification of applicants as a condition of issuing licenses, permits, or certificates of approval for persons to operate or provide direct care services in a child care center or family child care home. Therefore, the Legislature supports the use of the fingerprint live-scan technology, as defined in the long-range plan of the Department of Justice for fully automating the processing of fingerprints and other data by the year 1999, otherwise known as the California Crime Information Intelligence System (CAL-CII), to be used for applicant fingerprints. It is the intent of the Legislature in enacting this section to require the fingerprints of those individuals whose contact with child day care facility clients may pose a risk to the children's health and safety.

(a) (1) Before issuing a license or special permit to any person to operate or manage a day care facility, the department shall secure from an appropriate law enforcement agency a criminal record to determine whether the applicant or any other person specified in subdivision (b) has ever been convicted of a crime other than a minor traffic violation or arrested for any crime specified in Section 290 of the Penal Code, for violating Section 245 or 273.5, subdivision (b) of Section 273a or, prior to January 1, 1994, paragraph (2) of Section 273a of the Penal Code, or for any crime for which the department cannot grant an exemption if the person was convicted and the person has not been exonerated.

(2) The criminal history information shall include the full criminal record, if any, of those persons, and subsequent arrest information pursuant to Section 11105.2 of the Penal Code.

(3) Except during the 2003–04, 2004–05, 2005–06, 2006–07, and 2007–08 fiscal years, neither the Department of Justice nor the department may charge a fee for the fingerprinting of an applicant who will serve six or fewer children or any family day care applicant for a license, or for obtaining a criminal record of an applicant pursuant to this section.

(4) The following shall apply to the criminal record information:

(A) If the State Department of Social Services finds that the applicant or any other person specified in subdivision (b) has been convicted of a crime, other than a minor traffic violation, the application shall be denied, unless the director grants an exemption pursuant to subdivision (f).

(B) If the State Department of Social Services finds that the applicant, or any other person specified in subdivision (b), is awaiting trial for a crime other than a minor traffic violation, the State Department of Social Services may cease processing the application until the conclusion of the trial.

(C) If no criminal record information has been recorded, the Department of Justice shall provide the applicant and the State Department of Social Services with a statement of that fact.

(D) If the State Department of Social Services finds after licensure that the licensee, or any other person specified in paragraph (2) of subdivision (b), has been convicted of a crime other than a minor traffic violation, the license may be revoked, unless the director grants an exemption pursuant to subdivision (f).

(E) An applicant and any other person specified in subdivision (b) shall submit a second set of fingerprints to the Department of Justice, for the purpose of searching the records of the Federal Bureau of Investigation, in addition to the search required by subdivision (a). If an applicant meets all other conditions for licensure, except receipt of the Federal Bureau of Investigation's criminal history information for the applicant and persons listed in subdivision (b), the department may issue a license if the applicant and each person described by subdivision (b) has signed and submitted a statement that he or she has never been convicted of a crime in the United States, other than a traffic infraction as defined in paragraph (1) of subdivision (a) of Section 42001 of the Vehicle Code. If, after licensure, the department determines that the licensee or person specified in subdivision (b) has a criminal record, the license may be revoked pursuant to Section 1596.885. The department may also suspend the license pending an administrative hearing pursuant to Section 1596.886.

(b) (1) In addition to the applicant, this section shall be applicable to criminal convictions of the following persons:

(A) Adults responsible for administration or direct supervision of staff.

(B) Any person, other than a child, residing in the facility.

(C) Any person who provides care and supervision to the children.

(D) Any staff person, volunteer, or employee who has contact with the children.

(i) A volunteer providing time-limited specialized services shall be exempt from the requirements of this subdivision if this person is directly supervised by the licensee or a facility employee with a criminal record clearance or exemption, the volunteer spends no more than 16 hours per week at the facility, and the volunteer is not left alone with children in care.

(ii) A student enrolled or participating at an accredited educational institution shall be exempt from the requirements of this subdivision if the student is directly supervised by the licensee or a facility employee with a criminal record clearance or exemption, the facility has an agreement with the educational institution concerning the placement of the student, the student spends no more than 16 hours per week at the facility, and the student is not left alone with children in care.

(iii) A volunteer who is a relative, legal guardian, or foster parent of a client in the facility shall be exempt from the requirements of this subdivision.

(iv) A contracted repair person retained by the facility, if not left alone with children in care, shall be exempt from the requirements of this subdivision.

(v) Any person similar to those described in this subdivision, as defined by the department in regulations.

(E) If the applicant is a firm, partnership, association, or corporation, the chief executive officer, other person serving in like capacity, or a person designated by the chief executive officer as responsible for the operation of the facility, as designated by the applicant agency.

(F) If the applicant is a local educational agency, the president of the governing board, the school district superintendent, or a person designated to administer the operation of the facility, as designated by the local educational agency.

(G) Additional officers of the governing body of the applicant, or other persons with a financial interest in the applicant, as determined necessary by the department by regulation. The criteria used in the development of these regulations shall be based on the person's capability to exercise substantial influence over the operation of the facility.

(H) This section does not apply to employees of child care and development programs under contract with the State Department of Education who have completed a criminal records clearance as part of an application to the Commission on Teacher Credentialing, and who possess a current credential or permit issued by the commission, including employees of child care and development programs that serve both children subsidized under, and children not subsidized under, a State Department of Education contract. The Commission on Teacher Credentialing shall notify the department upon revocation of a current credential or permit issued to an employee of a child care and development program under contract with the State Department of Education.

(I) This section does not apply to employees of a child care and development program operated by a school district, county office of education, or community college district under contract with the State Department of Education who have completed a criminal record clearance as a condition of employment. The school district, county office of education, or community college district upon receiving information that the status of an employee's criminal record clearance has changed shall submit that information to the department.

(2) Nothing in this subdivision shall prevent a licensee from requiring a criminal record clearance of any individuals exempt from the requirements under this subdivision.

(c) (1) (A) Subsequent to initial licensure, any person specified in subdivision (b) and not exempted from fingerprinting shall, as a condition to employment, residence, or presence in a child day care facility be fingerprinted and sign a declaration under penalty of perjury regarding any prior criminal conviction. The licensee shall submit these fingerprints to the Department of Justice, along with a second set of fingerprints for the purpose of searching the records of the Federal Bureau of Investigation, or to comply with paragraph (1) of subdivision (h), prior to the person's employment, residence, or initial presence in the child day care facility.

(B) These fingerprints shall be on a card provided by the State Department of Social Services for the purpose of obtaining a permanent set of fingerprints and submitted to the Department of Justice by the licensee or sent by electronic transmission in a manner approved by the State Department of Social Services. A licensee's failure to submit fingerprints to the Department of Justice, or to comply with paragraph (1) of subdivision (h), as required in this section, shall result in the citation of a deficiency, and an immediate assessment of civil penalties in the amount of one hundred dollars (\$100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars (\$100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1596.885 or Section 1596.886. The State Department of Social Services may assess civil penalties for continued violations permitted by Sections 1596.99 and 1597.62. The fingerprints shall then be submitted to the State Department of Social Services for processing. Within 14 calendar days of the receipt of the fingerprints, the Department of Justice shall notify the State Department of Social Services of the criminal record information, as provided in this subdivision. If no criminal record information has been recorded, the Department of Justice shall provide the licensee and the State Department of Social Services with a statement of that fact within 14 calendar days of receipt of the fingerprints. If new fingerprints are required for processing, the Department of Justice shall, within 14 calendar days from the date of receipt of the fingerprints, notify the licensee that the fingerprints were illegible.

(C) Documentation of the individual's clearance or exemption shall be maintained by the licensee, and shall be available for inspection. When live-scan technology is operational, as defined in Section 1522.04, the Department of Justice shall notify the department, as required by that section, and notify the licensee by mail within 14 days of electronic transmission of the fingerprints to the Department of Justice, if the person has no criminal record. Any violation of the regulations adopted pursuant to Section 1522.04 shall result in the citation of a deficiency and an immediate assessment of civil penalties in the amount of one hundred dollars (\$100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars (\$100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1596.885 or Section 1596.886. The department may assess civil penalties for continued violations, as permitted by Sections 1596.99 and 1597.62.

(2) Except for persons specified in paragraph (2) of subdivision (b), the licensee shall endeavor to ascertain the previous employment history of persons required to be fingerprinted under this subdivision. If it is determined by the department, on the basis of fingerprints submitted to the Department of Justice, that the person has been convicted of a sex offense

against a minor, an offense specified in Section 243.4, 273a, 273d, 273g, or 368 of the Penal Code, or a felony, the State Department of Social Services shall notify the licensee to act immediately to terminate the person's employment, remove the person from the child day care facility, or bar the person from entering the child day care facility. The department may subsequently grant an exemption pursuant to subdivision (f). If the conviction was for another crime except a minor traffic violation, the licensee shall, upon notification by the State Department of Social Services, act immediately to either (1) terminate the person's employment, remove the person from the child day care facility, or bar the person from entering the child day care facility; or (2) seek an exemption pursuant to subdivision (f). The department shall determine if the person shall be allowed to remain in the facility until a decision on the exemption is rendered. A licensee's failure to comply with the department's prohibition of employment, contact with clients, or presence in the facility as required by this paragraph shall result in a citation of deficiency and an immediate assessment of civil penalties by the department against the licensee, in the amount of one hundred dollars (\$100) per violation, per day for a maximum of five days, unless the violation is a second or subsequent violation within a 12-month period in which case the civil penalties shall be in the amount of one hundred dollars (\$100) per violation for a maximum of 30 days, and shall be grounds for disciplining the licensee pursuant to Section 1596.885 or 1596.886.

(3) The department may issue an exemption on its own motion pursuant to subdivision (f) if the person's criminal history indicates that the person is of good character based on the age, seriousness, and frequency of the conviction or convictions. The department, in consultation with interested parties, shall develop regulations to establish the criteria to grant an exemption pursuant to this paragraph.

(4) Concurrently with notifying the licensee pursuant to paragraph (3), the department shall notify the affected individual of his or her right to seek an exemption pursuant to subdivision (f). The individual may seek an exemption only if the licensee terminates the person's employment or removes the person from the facility after receiving notice from the department pursuant to paragraph (3).

(d) (1) For purposes of this section or any other provision of this chapter, a conviction means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action that the department is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, when the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, notwithstanding a subsequent order pursuant to Sections 1203.4 and 1203.4a of the Penal Code permitting the person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment. For purposes of this section or any other provision of this chapter, the record of a conviction, or a copy thereof

certified by the clerk of the court or by a judge of the court in which the conviction occurred, shall be conclusive evidence of the conviction. For purposes of this section or any other provision of this chapter, the arrest disposition report certified by the Department of Justice, or documents admissible in a criminal action pursuant to Section 969b of the Penal Code, shall be prima facie evidence of conviction, notwithstanding any other provision of law prohibiting the admission of these documents in a civil or administrative action.

(2) For purposes of this section or any other provision of this chapter, the department shall consider criminal convictions from another state or federal court as if the criminal offense was committed in this state.

(e) The State Department of Social Services may not use a record of arrest to deny, revoke, or terminate any application, license, employment, or residence unless the department investigates the incident and secures evidence, whether or not related to the incident of arrest, that is admissible in an administrative hearing to establish conduct by the person that may pose a risk to the health and safety of any person who is or may become a client. The State Department of Social Services is authorized to obtain any arrest or conviction records or reports from any law enforcement agency as necessary to the performance of its duties to inspect, license, and investigate community care facilities and individuals associated with a community care facility.

(f) (1) After review of the record, the director may grant an exemption from disqualification for a license or special permit as specified in paragraphs (1) and (4) of subdivision (a), or for employment, residence, or presence in a child day care facility as specified in paragraphs (3), (4), and (5) of subdivision (c) if the director has substantial and convincing evidence to support a reasonable belief that the applicant and the person convicted of the crime, if other than the applicant, are of good character so as to justify issuance of the license or special permit or granting an exemption for purposes of subdivision (c). However, an exemption may not be granted pursuant to this subdivision if the conviction was for any of the following offenses:

(A) An offense specified in Section 220, 243.4, or 264.1, subdivision (a) of Section 273a or, prior to January 1, 1994, paragraph (1) of Section 273a, Section 273d, 288, or 289, subdivision (a) of Section 290, or Section 368 of the Penal Code, or was a conviction of another crime against an individual specified in subdivision (c) of Section 667.5 of the Penal Code.

(B) A felony offense specified in Section 729 of the Business and Professions Code or Section 206 or 215, subdivision (a) of Section 347, subdivision (b) of Section 417, or subdivision (a) or (b) of Section 451 of the Penal Code.

(2) The department may not prohibit a person from being employed or having contact with clients in a facility on the basis of a denied criminal record exemption request or arrest information unless the department complies with the requirements of Section 1596.8897.

(g) Upon request of the licensee, who shall enclose a self-addressed stamped postcard for this purpose, the Department of Justice shall verify receipt of the fingerprints.

(h) (1) For the purposes of compliance with this section, the department may permit an individual to transfer a current criminal record clearance, as defined in subdivision (a), from one facility to another, as long as the criminal record clearance has been processed through a state licensing district office, and is being transferred to another facility licensed by a state licensing district office. The request shall be in writing to the department, and shall include a copy of the person's driver's license or valid identification card issued by the Department of Motor Vehicles, or a valid photo identification issued by another state or the United States government if the person is not a California resident. Upon request of the licensee, who shall enclose a self-addressed stamped envelope for this purpose, the department shall verify whether the individual has a clearance that can be transferred.

(2) The State Department of Social Services shall hold criminal record clearances in its active files for a minimum of two years after an employee is no longer employed at a licensed facility in order for the criminal record clearances to be transferred.

(3) The following shall apply to a criminal record clearance or exemption from the department or a county office with department-delegated licensing authority:

(A) A county office with department-delegated licensing authority may accept a clearance or exemption from the department.

(B) The department may accept a clearance or exemption from any county office with department-delegated licensing authority.

(C) A county office with department-delegated licensing authority may accept a clearance or exemption from any other county office with department-delegated licensing authority.

(4) With respect to notifications issued by the Department of Justice pursuant to Section 11105.2 of the Penal Code concerning an individual whose criminal record clearance was originally processed by the department or a county office with department-delegated licensing authority, all of the following shall apply:

(A) The Department of Justice shall process a request from the department or a county office with department-delegated licensing authority to receive the notice, only if all of the following conditions are met:

(i) The request shall be submitted to the Department of Justice by the agency to be substituted to receive the notification.

(ii) The request shall be for the same applicant type as the type for which the original clearance was obtained.

(iii) The request shall contain all prescribed data elements and format protocols pursuant to a written agreement between the department and the Department of Justice.

(B) (i) On or before January 7, 2005, the department shall notify the Department of Justice of all county offices that have department-delegated licensing authority.

(ii) The department shall notify the Department of Justice within 15 calendar days of the date on which a new county office receives department-delegated licensing authority or a county's delegated licensing authority is rescinded.

(C) The Department of Justice shall charge the department or a county office with department-delegated licensing authority a fee for each time a request to substitute the recipient agency is received for purposes of this paragraph. This fee shall not exceed the cost of providing the service.

(i) Amendments to this section made in the 1998 calendar year shall be implemented commencing 60 days after the effective date of the act amending this section in the 1998 calendar year, except those provisions for the submission of fingerprints for searching the records of the Federal Bureau of Investigation, which shall be implemented commencing January 1, 1999.

SEC. 19. Section 1597.09 of the Health and Safety Code is amended to read:

1597.09. (a) Each licensed child day care center shall be subject to unannounced visits by the department. The department shall visit these facilities as often as necessary to ensure the quality of care provided.

(b) The department shall conduct an annual unannounced visit to a licensed child day care center under any of the following circumstances:

(1) When a license is on probation.

(2) When the terms of agreement in a facility compliance plan require an annual evaluation.

(3) When an accusation against a licensee is pending.

(4) In order to verify that a person who has been ordered out of a child day care center by the department is no longer at the facility.

(c) The department shall conduct an annual unannounced visit to no less than 20 percent of facilities not subject to an evaluation under subdivision (b). These unannounced visits shall be conducted based on a random sampling methodology developed by the department. If the total citations issued by the department exceed the previous year's total by 10 percent, the following year the department shall increase the random sample by 10 percent of facilities not subject to an evaluation under subdivision (b). The department may request additional resources to increase the random sample by 10 percent.

(d) Under no circumstance shall the department visit a licensed child day care center less often than once every five years.

SEC. 20. Section 1597.55a of the Health and Safety Code is amended to read:

1597.55a. Every family day care home shall be subject to unannounced visits by the department as provided in this section. The department shall visit these facilities as often as necessary to ensure the quality of care provided.

(a) The department shall conduct an announced site visit prior to the initial licensing of the applicant.

(b) The department shall conduct an annual unannounced visit to a facility under any of the following circumstances:

(1) When a license is on probation.

(2) When the terms of agreement in a facility compliance plan require an annual evaluation.

(3) When an accusation against a licensee is pending.

(4) In order to verify that a person who has been ordered out of a family day care home by the department is no longer at the facility.

(c) The department shall conduct annual unannounced visits to no less than 20 percent of facilities not subject to an evaluation under subdivision

(b). These unannounced visits shall be conducted based on a random sampling methodology developed by the department. If the total citations issued by the department exceed the previous year's total by 10 percent, the following year the department shall increase the random sample by 10 percent of the facilities not subject to an evaluation under subdivision (b). The department may request additional resources to increase the random sample by 10 percent.

(d) Under no circumstance shall the department visit a licensed family day care home less often than once every five years.

(e) A public agency under contract with the department may make spot checks if it does not result in any cost to the state. However, spot checks shall not be required by the department.

(f) The department or licensing agency shall make an unannounced site visit on the basis of a complaint and a followup visit as provided in Section 1596.853.

(g) An unannounced site visit shall adhere to both of the following conditions:

(1) The visit shall take place only during the facility's normal business hours or at any time family day care services are being provided.

(2) The inspection of the facility shall be limited to those parts of the facility in which family day care services are provided or to which the children have access.

(h) The department shall implement this section during periods that Section 1597.55b is not being implemented in accordance with Section 18285.5 of the Welfare and Institutions Code.

SEC. 21. Section 11831.5 of the Health and Safety Code is amended to read:

11831.5. (a) Certification shall be granted by the department pursuant to this section to any qualified alcoholism or drug abuse recovery or treatment program, regardless of the source of the program's funding, upon approval of a completed application and payment of the required fee. The certification shall be valid for a period of not more than two years. The department may extend the certification period upon receipt of an application for renewal and payment of the required certification fee prior to the expiration date of the certification.

(b) The purposes of certification under this section shall be all of the following:

(1) To identify programs that exceed minimal levels of service quality, are in substantial compliance with the department's standards, and merit the confidence of the public, third-party payers, and county alcohol and drug programs.

(2) To encourage programs to meet their stated goals and objectives.

(3) To encourage programs to strive for increased quality of service through recognition by the state and by peer programs in the alcoholism and drug field.

(4) To assist programs to identify their needs for technical assistance, training, and program improvements.

(c) Certification may be granted under this section on the basis of evidence satisfactory to the department that the requesting alcoholism or drug abuse recovery or treatment program has an accreditation by a statewide or national alcohol or drug program accrediting body. The accrediting body shall provide accreditation that meets or exceeds the department's standards and is recognized by the department.

(d) No fee shall be levied by the department for certification of nonprofit organizations or local governmental entities under this section.

(e) Certification, or the lack thereof, shall not convey any approval or disapproval by the department, but shall be for information purposes only.

(f) The standards developed pursuant to Section 11830 and the certification under this section shall satisfy the requirements of Section 1463.16 of the Penal Code.

(g) The department and the State Department of Social Services shall enter into a memorandum of understanding to establish a process by which the Department of Alcohol and Drug Programs can certify residential facilities or programs serving primarily adolescents, as defined in paragraph (1) of subdivision (a) of Section 1502, that have programs that primarily serve adolescents and provide alcohol and other drug recovery or treatment services.

(h) Regulations adopted by the department pursuant to this section shall be adopted as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and for the purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of these regulations is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, including subdivision (e) of Section 11346.1 of the Government Code, any emergency regulations adopted pursuant to this section shall be filed with, but not be repealed by, the Office of Administrative Law and shall remain in effect until revised by the department. Nothing in this subdivision shall be interpreted to prohibit the department from adopting subsequent amendments on a nonemergency basis or as emergency

regulations in accordance with the standards set forth in Section 11346.1 of the Government Code.

SEC. 22. Section 11839.7 of the Health and Safety Code is amended to read:

11839.7. (a) (1) Each narcotic treatment program authorized to use replacement narcotic therapy in this state, except narcotic treatment research programs approved by the Research Advisory Panel, shall be licensed by the department.

(2) Each narcotic treatment program, other than a program owned and operated by the state, county, city, or city and county, shall, upon application for licensure and for renewal of a license, pay an annual license fee to the department. July 1 shall be the annual license renewal date.

(3) The department shall set the licensing fee at a level sufficient to cover all departmental costs associated with licensing incurred by the department, but the fee shall not, except as specified in this section, increase at a rate greater than the Consumer Price Index. The fees shall include the department's share of pro rata charges for the expenses of state government. The fee may be paid quarterly in arrears as determined by the department. Fees paid quarterly in arrears shall be due and payable on the last day of each quarter except for the fourth quarter for which payment shall be due and payable no later than May 31. A failure of a program to pay renewal license fees by the due date shall give rise to a civil penalty of one hundred dollars (\$100) a day for each day after the due date. Second and subsequent inspection visits to narcotic treatment programs that are operating in noncompliance with the applicable laws and regulations shall be charged a rate of one-half the program's annual license fee or one thousand dollars (\$1,000), whichever is less, for each visit.

(4) Licensing shall be contingent upon determination by the department that the program is in compliance with applicable laws and regulations and upon payment of the licensing fee. A license shall not be transferable.

(5) (A) As used in this chapter, "quarter" means July, August, and September; October, November, and December; January, February, and March; and April, May, and June.

(B) As used in this chapter, "license" means a basic permit to operate a narcotic treatment program. The license shall be issued exclusively by the department and operated in accordance with a patient capacity that shall be specified, approved, and monitored solely by the department.

(b) Each narcotic treatment program, other than a program owned and operated by the state, county, city, or city and county, shall be charged an application fee that shall be at a level sufficient to cover all departmental costs incurred by the department in processing either an application for a new program license, or an application for an existing program that has moved to a new location.

(c) Any licensee that increases fees to the patient, in response to increases in licensure fees required by the department, shall first provide written disclosure to the patient of that amount of the patient fee increase

that is attributable to the increase in the licensure fee. This provision shall not be construed to limit patient fee increases imposed by the licensee upon any other basis.

SEC. 23. Section 11970.4 of the Health and Safety Code is repealed.

SEC. 23.1. Section 11999.6.1 is added to the Health and Safety Code, to read:

11999.6.1. (a) Notwithstanding any other provision of law, when the department allocates funds appropriated to the Substance Abuse Treatment Trust Fund, it shall withhold from any allocation to a county the amount of funds previously allocated to that county from the fund that are projected to remain unencumbered, up to the amount that would otherwise be allocated to that county. The department shall allow a county with unencumbered funds to retain a reserve of 5 percent of the amount allocated to that county for the most recent fiscal year in which the county received an allocation from the fund without a reduction pursuant to this subdivision.

(b) The department shall allocate 75 percent of the amount withheld pursuant to subdivision (a) in accordance with Section 11999.6 and any regulations adopted pursuant to that section, but taking into account any amount withheld pursuant to subdivision (a).

(c) The department shall reserve 25 percent of the amount withheld pursuant to subdivision (a) until all counties have submitted final actual expenditures for the most recent fiscal year. The department shall then allocate the funds reserved to adjust for actual rather than projected unencumbered funds, to the extent that the amount reserved is adequate to do so. Any balance of funds not reallocated pursuant to this subdivision shall be allocated in accordance with subdivision (e).

(d) If the department determines from actual expenditures that more funds should have been withheld from any county than were withheld pursuant to subdivision (a), it shall adjust any allocations pursuant to subdivision (e) accordingly, to the extent possible. If one or more counties fails to report actual expenditures in a timely manner, the department may, in its discretion, proceed with the available information, and may exclude any nonreporting county from any allocations pursuant to this section.

(e) If revenues, funds, or other receipts to the Substance Abuse Treatment Trust Fund are sufficient to create additional allocations to counties, through reconsideration of unencumbered funds, audit recoveries, or otherwise, the Director of Finance may authorize expenditures for the department in excess of the amount appropriated no earlier than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees in each house and the Chairperson of the Joint Legislative Budget Committee, or at an earlier time that the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.

(f) The department may implement this section by All-County Lead Agency letters or other similar instructions, and need not comply with the

rulemaking requirements of Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code.

SEC. 23.2. Division 10.10 (commencing with Section 11999.30) is added to the Health and Safety Code, to read:

DIVISION 10.10. SUBSTANCE ABUSE OFFENDER TREATMENT PROGRAM

11999.30. (a) This division shall be known as the Substance Abuse Offender Treatment Program. Funds distributed under this division shall be used to serve offenders who qualify for services under the Substance Abuse and Crime Prevention Act of 2000, including any amendments thereto. Implementation of this division is subject to an appropriation in the annual Budget Act.

(b) The department shall distribute funds for the Substance Abuse Offender Treatment Program to counties that demonstrate a commitment of county general funds or funds from a source other than the state, which demonstrates eligibility for the program. The department shall establish a methodology for allocating funds under the program. The maximum amount an eligible county may receive shall not exceed an amount equal to 30 percent of the county's allocation from the department for that fiscal year from the trust fund established pursuant to Section 11999.4. The allocation methodology shall be based on the following factors:

(1) The percentage of offenders ordered to drug treatment that actually begin treatment.

(2) The percentage of offenders ordered to treatment that completed the prescribed course of treatment.

(3) Any other factor determined by the department.

(c) The distribution of funds for this program to each eligible county shall be at a ratio of nine dollars (\$9) for every one dollar (\$1) of eligible county matching funds.

(d) County eligibility for matching funds under this division shall be determined by the department according to specified criteria, including, but not limited to, all of the following:

(1) The establishment and maintenance of dedicated court calendars with regularly scheduled reviews of treatment progress for persons ordered to drug treatment.

(2) The existence or establishment of a drug court, and willingness to accept defendants who are likely to be committed to state prison.

(3) The establishment and maintenance of protocols for the use of drug testing to monitor offenders' progress in treatment.

(4) The establishment and maintenance of protocols for assessing offenders' treatment needs and the placement of offenders at the appropriate level of treatment.

(e) The department, in its discretion, may exclude administrative costs in determining the amount of eligible county match, and may restrict or

prohibit the expenditure of funds provided under this division for those purposes. The department may also require a limitation on the expenditure of funds provided under this division for services other than direct treatment costs, as a condition of receipt of program funds.

(f) To receive funds under this division, a county shall submit an application to the department documenting all of the following:

(1) The county's commitment of funds, as required by subdivision (b).

(2) The county's eligibility, as determined by the criteria set forth in subdivision (d).

(3) The county's plan and commitment to utilize the funds for the purposes of the program, which may include, but are not limited to, all of the following:

(A) Enhancing treatment services for offenders assessed to need them, including residential treatment and narcotic replacement therapy.

(B) Increasing the proportion of sentenced offenders who enter, remain in, and complete treatment, through activities and approaches such as colocation of services, enhanced supervision of offenders, and enhanced services determined necessary through the use of drug test results.

(C) Reducing delays in the availability of appropriate treatment services.

(D) Use of a drug court model, including dedicated court calendars with regularly scheduled reviews of treatment progress, and strong collaboration by the courts, probation, and treatment.

(E) Developing treatment services that are needed but not available.

(F) Other activities, approaches, and services approved by the department, after consultation with stakeholders.

(g) The department shall audit county expenditures of funds distributed pursuant to this division. Expenditures not made in accordance with this division shall be repaid to the state.

(h) The department shall consult with stakeholders and report during annual budget hearings on additional recommendations for improvement of programs and services, allocation and funding mechanisms, including, but not limited to, competitive approaches, performance-based allocations, and sources of data for measurement.

(i) (1) For the 2006–07 fiscal year, the department may implement this division by all-county letters or other similar instructions, and need not comply with the rulemaking requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. Commencing with the 2007–08 fiscal year, the department may implement this section by emergency regulations, adopted pursuant to paragraph (2).

(2) Regulations adopted by the department pursuant to this division shall be adopted as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and for the purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of these regulations is an emergency and shall be considered by the Office of Administrative Law as

necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, including subdivision (e) of Section 11346.1 of the Government Code, any emergency regulations adopted pursuant to this division shall be filed with, but not be repealed by, the Office of Administrative Law and shall remain in effect until revised by the department. Nothing in this paragraph shall be interpreted to prohibit the department from adopting subsequent amendments on a nonemergency basis or as emergency regulations in accordance with the standards set forth in Section 11346.1 of the Government Code.

(j) This division shall become inoperative two years following the date that the program is first implemented, and shall be repealed on July 1, 2009, unless a later-enacted statute, that is enacted before July 1, 2009, deletes or extends that date.

SEC. 24. Section 129856 is added to the Health and Safety Code, to read:

129856. (a) Contingent on an appropriation in the annual Budget Act, the office shall establish a program for training Fire and Life Safety Officers. The goal of this program shall be to provide a sufficient number of qualified persons to facilitate the timely performance of the office's duties and responsibilities relating to the review of plans and specifications pertaining to the design and observation of construction of hospital buildings described in paragraphs (2) and (3) of subdivision (b) of Section 129725, in order to ensure compliance with applicable facility design and construction codes and standards.

(b) The office shall prepare a comprehensive report on the training program setting forth its goals, objectives, and structure. The report shall include the number of Fire and Life Safety Officers to be trained annually, a timeline for training completion, a process for gathering information to evaluate the training programs efficiency that includes dropout and retention rates, and a mechanism to annually assess the need for the training program to continue. The report shall be submitted to the Joint Legislative Budget Committee by April 1, 2007.

SEC. 25. Section 1611.5 of the Unemployment Insurance Code is amended to read:

1611.5. Notwithstanding Section 1611, the Legislature may appropriate from the Employment Training Fund an amount specified in the annual Budget Act to fund the local assistance portion of welfare-to-work activities under the CalWORKs program, provided for pursuant to Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, as administered by the State Department of Social Services.

SEC. 26. Section 366.21 of the Welfare and Institutions Code is amended to read:

366.21. (a) Every hearing conducted by the juvenile court reviewing the status of a dependent child shall be placed on the appearance calendar.

The court shall advise all persons present at the hearing of the date of the future hearing and of their right to be present and represented by counsel.

(b) Except as provided in Sections 294 and 295, notice of the hearing shall be provided pursuant to Section 293.

(c) At least 10 calendar days prior to the hearing, the social worker shall file a supplemental report with the court regarding the services provided or offered to the parent or legal guardian to enable him or her to assume custody and the efforts made to achieve legal permanence for the child if efforts to reunify fail, including, but not limited to, efforts to maintain relationships between a child who is 10 years of age or older and has been in out-of-home placement for six months or longer and individuals who are important to the child, consistent with the child's best interests; the progress made; and, where relevant, the prognosis for return of the child to the physical custody of his or her parent or legal guardian; and shall make his or her recommendation for disposition. If the child is a member of a sibling group described in paragraph (3) of subdivision (a) of Section 361.5, the report and recommendation may also take into account those factors described in subdivision (e) relating to the child's sibling group. If the recommendation is not to return the child to a parent or legal guardian, the report shall specify why the return of the child would be detrimental to the child. The social worker shall provide the parent or legal guardian, counsel for the child, and any court-appointed child advocate with a copy of the report, including his or her recommendation for disposition, at least 10 calendar days prior to the hearing. In the case of a child removed from the physical custody of his or her parent or legal guardian, the social worker shall, at least 10 calendar days prior to the hearing, provide a summary of his or her recommendation for disposition to any foster parents, relative caregivers, and certified foster parents who have been approved for adoption by the State Department of Social Services when it is acting as an adoption agency in counties that are not served by a county adoption agency or by a licensed county adoption agency, community care facility, or foster family agency having the physical custody of the child.

(d) Prior to any hearing involving a child in the physical custody of a community care facility or a foster family agency that may result in the return of the child to the physical custody of his or her parent or legal guardian, or in adoption or the creation of a legal guardianship, the facility or agency shall file with the court a report containing its recommendation for disposition. Prior to the hearing involving a child in the physical custody of a foster parent, a relative caregiver, or a certified foster parent who has been approved for adoption by the State Department of Social Services when it is acting as an adoption agency or by a licensed adoption agency, the foster parent, relative caregiver, or the certified foster parent who has been approved for adoption by the State Department of Social Services when it is acting as an adoption agency in counties that are not served by a county adoption agency or by a licensed county adoption agency, may file with the court a report containing his or her

recommendation for disposition. The court shall consider the report and recommendation filed pursuant to this subdivision prior to determining any disposition.

(e) At the review hearing held six months after the initial dispositional hearing, the court shall order the return of the child to the physical custody of his or her parent or legal guardian unless the court finds, by a preponderance of the evidence, that the return of the child to his or her parent or legal guardian would create a substantial risk of detriment to the safety, protection, or physical or emotional well-being of the child. The social worker shall have the burden of establishing that detriment. The failure of the parent or legal guardian to participate regularly and make substantive progress in court-ordered treatment programs shall be prima facie evidence that return would be detrimental. In making its determination, the court shall review and consider the social worker's report and recommendations and the report and recommendations of any child advocate appointed pursuant to Section 356.5; and shall consider the efforts or progress, or both, demonstrated by the parent or legal guardian and the extent to which he or she availed himself or herself to services provided.

Whether or not the child is returned to a parent or legal guardian, the court shall specify the factual basis for its conclusion that the return would be detrimental or would not be detrimental. The court also shall make appropriate findings pursuant to subdivision (a) of Section 366; and, where relevant, shall order any additional services reasonably believed to facilitate the return of the child to the custody of his or her parent or legal guardian. The court shall also inform the parent or legal guardian that if the child cannot be returned home by the 12-month permanency hearing, a proceeding pursuant to Section 366.26 may be instituted. This section does not apply in a case where, pursuant to Section 361.5, the court has ordered that reunification services shall not be provided.

If the child was under the age of three years on the date of the initial removal, or is a member of a sibling group described in paragraph (3) of subdivision (a) of Section 361.5, and the court finds by clear and convincing evidence that the parent failed to participate regularly and make substantive progress in a court-ordered treatment plan, the court may schedule a hearing pursuant to Section 366.26 within 120 days. If, however, the court finds there is a substantial probability that the child, who was under the age of three years on the date of initial removal or is a member of a sibling group described in paragraph (3) of subdivision (a) of Section 361.5, may be returned to his or her parent or legal guardian within six months or that reasonable services have not been provided, the court shall continue the case to the 12-month permanency hearing.

For the purpose of placing and maintaining a sibling group together in a permanent home, the court, in making its determination to schedule a hearing pursuant to Section 366.26 for some or all members of a sibling group, as described in paragraph (3) of subdivision (a) of Section 361.5, shall review and consider the social worker's report and recommendations.

Factors the report shall address, and the court shall consider, may include, but need not be limited to, whether the sibling group was removed from parental care as a group, the closeness and strength of the sibling bond, the ages of the siblings, the appropriateness of maintaining the sibling group together, the detriment to the child if sibling ties are not maintained, the likelihood of finding a permanent home for the sibling group, whether the sibling group is currently placed together in a preadoptive home or has a concurrent plan goal of legal permanency in the same home, the wishes of each child whose age and physical and emotional condition permits a meaningful response, and the best interest of each child in the sibling group. The court shall specify the factual basis for its finding that it is in the best interest of each child to schedule a hearing pursuant to Section 366.26 in 120 days for some or all of the members of the sibling group.

If the child was removed initially under subdivision (g) of Section 300 and the court finds by clear and convincing evidence that the whereabouts of the parent are still unknown, or the parent has failed to contact and visit the child, the court may schedule a hearing pursuant to Section 366.26 within 120 days. If the court finds by clear and convincing evidence that the parent has been convicted of a felony indicating parental unfitness, the court may schedule a hearing pursuant to Section 366.26 within 120 days.

If the child had been placed under court supervision with a previously noncustodial parent pursuant to Section 361.2, the court shall determine whether supervision is still necessary. The court may terminate supervision and transfer permanent custody to that parent, as provided for by paragraph (1) of subdivision (b) of Section 361.2.

In all other cases, the court shall direct that any reunification services previously ordered shall continue to be offered to the parent or legal guardian pursuant to the time periods set forth in subdivision (a) of Section 361.5, provided that the court may modify the terms and conditions of those services.

If the child is not returned to his or her parent or legal guardian, the court shall determine whether reasonable services that were designed to aid the parent or legal guardian in overcoming the problems that led to the initial removal and the continued custody of the child have been provided or offered to the parent or legal guardian. The court shall order that those services be initiated, continued, or terminated.

(f) The permanency hearing shall be held no later than 12 months after the date the child entered foster care, as that date is determined pursuant to subdivision (a) of Section 361.5. At the permanency hearing, the court shall determine the permanent plan for the child, which shall include a determination of whether the child will be returned to the child's home and, if so, when, within the time limits of subdivision (a) of Section 361.5. The court shall order the return of the child to the physical custody of his or her parent or legal guardian unless the court finds, by a preponderance of the evidence, that the return of the child to his or her parent or legal guardian would create a substantial risk of detriment to the safety, protection, or physical or emotional well-being of the child. The social

worker shall have the burden of establishing that detriment. The court shall also determine whether reasonable services that were designed to aid the parent or legal guardian to overcome the problems that led to the initial removal and continued custody of the child have been provided or offered to the parent or legal guardian. For each youth 16 years of age and older, the court shall also determine whether services have been made available to assist him or her in making the transition from foster care to independent living. The failure of the parent or legal guardian to participate regularly and make substantive progress in court-ordered treatment programs shall be prima facie evidence that return would be detrimental. In making its determination, the court shall review and consider the social worker's report and recommendations and the report and recommendations of any child advocate appointed pursuant to Section 356.5, shall consider the efforts or progress, or both, demonstrated by the parent or legal guardian and the extent to which he or she availed himself or herself of services provided, and shall make appropriate findings pursuant to subdivision (a) of Section 366.

Whether or not the child is returned to his or her parent or legal guardian, the court shall specify the factual basis for its decision. If the child is not returned to a parent or legal guardian, the court shall specify the factual basis for its conclusion that the return would be detrimental. The court also shall make a finding pursuant to subdivision (a) of Section 366.

(g) If the time period in which the court-ordered services were provided has met or exceeded the time period set forth in paragraph (1), (2), or (3) of subdivision (a) of Section 361.5, as appropriate, and a child is not returned to the custody of a parent or legal guardian at the permanency hearing held pursuant to subdivision (f), the court shall do one of the following:

(1) Continue the case for up to six months for a permanency review hearing, provided that the hearing shall occur within 18 months of the date the child was originally taken from the physical custody of his or her parent or legal guardian. The court shall continue the case only if it finds that there is a substantial probability that the child will be returned to the physical custody of his or her parent or legal guardian and safely maintained in the home within the extended period of time or that reasonable services have not been provided to the parent or legal guardian. For the purposes of this section, in order to find a substantial probability that the child will be returned to the physical custody of his or her parent or legal guardian and safely maintained in the home within the extended period of time, the court shall be required to find all of the following:

(A) That the parent or legal guardian has consistently and regularly contacted and visited with the child.

(B) That the parent or legal guardian has made significant progress in resolving problems that led to the child's removal from the home.

(C) The parent or legal guardian has demonstrated the capacity and ability both to complete the objectives of his or her treatment plan and to

provide for the child's safety, protection, physical and emotional well-being, and special needs.

For purposes of this subdivision, the court's decision to continue the case based on a finding or substantial probability that the child will be returned to the physical custody of his or her parent or legal guardian is a compelling reason for determining that a hearing held pursuant to Section 366.26 is not in the best interests of the child.

The court shall inform the parent or legal guardian that if the child cannot be returned home by the next permanency review hearing, a proceeding pursuant to Section 366.26 may be instituted. The court may not order that a hearing pursuant to Section 366.26 be held unless there is clear and convincing evidence that reasonable services have been provided or offered to the parent or legal guardian.

(2) Order that a hearing be held within 120 days, pursuant to Section 366.26, but only if the court does not continue the case to the permanency planning review hearing and there is clear and convincing evidence that reasonable services have been provided or offered to the parents or legal guardians.

(3) Order that the child remain in long-term foster care, but only if the court finds by clear and convincing evidence, based upon the evidence already presented to it, including a recommendation by the State Department of Social Services when it is acting as an adoption agency in counties that are not served by a county adoption agency or by a licensed county adoption agency, that there is a compelling reason for determining that a hearing held pursuant to Section 366.26 is not in the best interest of the child because the child is not a proper subject for adoption and has no one willing to accept legal guardianship. For purposes of this section, a recommendation by the State Department of Social Services when it is acting as an adoption agency in counties that are not served by a county adoption agency or by a licensed county adoption agency that adoption is not in the best interest of the child shall constitute a compelling reason for the court's determination. That recommendation shall be based on the present circumstances of the child and may not preclude a different recommendation at a later date if the child's circumstances change.

If the court orders that a child who is 10 years of age or older remain in long-term foster care, the court shall determine whether the agency has made reasonable efforts to maintain the child's relationships with individuals other than the child's siblings who are important to the child, consistent with the child's best interests, and may make any appropriate order to ensure that those relationships are maintained.

(h) In any case in which the court orders that a hearing pursuant to Section 366.26 shall be held, it shall also order the termination of reunification services to the parent or legal guardian. The court shall continue to permit the parent or legal guardian to visit the child pending the hearing unless it finds that visitation would be detrimental to the child. The court shall make any other appropriate orders to enable the child to

maintain relationships with individuals, other than the child's siblings, who are important to the child, consistent with the child's best interests.

(i) Whenever a court orders that a hearing pursuant to Section 366.26 shall be held, it shall direct the agency supervising the child and the licensed county adoption agency, or the State Department of Social Services when it is acting as an adoption agency in counties that are not served by a county adoption agency, to prepare an assessment that shall include:

(1) Current search efforts for an absent parent or parents or legal guardians.

(2) A review of the amount of and nature of any contact between the child and his or her parents or legal guardians and other members of his or her extended family since the time of placement. Although the extended family of each child shall be reviewed on a case-by-case basis, "extended family" for the purpose of this paragraph shall include, but not be limited to, the child's siblings, grandparents, aunts, and uncles.

(3) An evaluation of the child's medical, developmental, scholastic, mental, and emotional status.

(4) A preliminary assessment of the eligibility and commitment of any identified prospective adoptive parent or legal guardian, particularly the caretaker, to include a social history including screening for criminal records and prior referrals for child abuse or neglect, the capability to meet the child's needs, and the understanding of the legal and financial rights and responsibilities of adoption and guardianship. If a proposed guardian is a relative of the minor, and the relative was assessed for foster care placement of the minor prior to January 1, 1998, the assessment shall also consider, but need not be limited to, all of the factors specified in subdivision (a) of Section 361.3.

(5) The relationship of the child to any identified prospective adoptive parent or legal guardian, the duration and character of the relationship, the motivation for seeking adoption or guardianship, and a statement from the child concerning placement and the adoption or guardianship, unless the child's age or physical, emotional, or other condition precludes his or her meaningful response, and if so, a description of the condition.

(6) A description of efforts to be made to identify a prospective adoptive parent or legal guardian, including, but not limited to, child-specific recruitment and listing on an adoption exchange.

(7) An analysis of the likelihood that the child will be adopted if parental rights are terminated.

(j) If, at any hearing held pursuant to Section 366.26, a guardianship is established for the minor with a relative, and juvenile court dependency is subsequently dismissed, the relative shall be eligible for aid under the Kin-GAP program or the Kin-GAP Plus program, as provided for in Article 4.5 (commencing with Section 11360) and Article 4.75 (commencing with Section 11380) of Chapter 2 of Part 3 of Division 9.

(k) As used in this section, "relative" means an adult who is related to the minor by blood, adoption, or affinity within the fifth degree of kinship,

including stepparents, stepsiblings, and all relatives whose status is preceded by the words “great,” “great-great,” or “grand,” or the spouse of any of those persons even if the marriage was terminated by death or dissolution.

(l) For purposes of this section, evidence of any of the following circumstances may not, in and of itself, be deemed a failure to provide or offer reasonable services:

(1) The child has been placed with a foster family that is eligible to adopt a child, or has been placed in a preadoptive home.

(2) The case plan includes services to make and finalize a permanent placement for the child if efforts to reunify fail.

(3) Services to make and finalize a permanent placement for the child, if efforts to reunify fail, are provided concurrently with services to reunify the family.

(m) The implementation and operation of the amendments to subdivisions (c) and (g) enacted at the 2005–06 Regular Session shall be subject to appropriation through the budget process and by phase, as provided in Section 366.35.

SEC. 27. Section 366.22 of the Welfare and Institutions Code is amended to read:

366.22. (a) When a case has been continued pursuant to paragraph (1) of subdivision (g) of Section 366.21, the permanency review hearing shall occur within 18 months after the date the child was originally removed from the physical custody of his or her parent or legal guardian. The court shall order the return of the child to the physical custody of his or her parent or legal guardian unless the court finds, by a preponderance of the evidence, that the return of the child to his or her parent or legal guardian would create a substantial risk of detriment to the safety, protection, or physical or emotional well-being of the child. The social worker shall have the burden of establishing that detriment. The failure of the parent or legal guardian to participate regularly and make substantive progress in court-ordered treatment programs shall be prima facie evidence that return would be detrimental. In making its determination, the court shall review and consider the social worker’s report and recommendations and the report and recommendations of any child advocate appointed pursuant to Section 356.5; shall consider the efforts or progress, or both, demonstrated by the parent or legal guardian and the extent to which he or she availed himself or herself of services provided; and shall make appropriate findings pursuant to subdivision (a) of Section 366.

Whether or not the child is returned to his or her parent or legal guardian, the court shall specify the factual basis for its decision. If the child is not returned to a parent or legal guardian, the court shall specify the factual basis for its conclusion that return would be detrimental.

If the child is not returned to a parent or legal guardian at the permanency review hearing, the court shall order that a hearing be held pursuant to Section 366.26 in order to determine whether adoption, guardianship, or long-term foster care is the most appropriate plan for the

child. However, if the court finds by clear and convincing evidence, based on the evidence already presented to it, including a recommendation by the State Department of Social Services when it is acting as an adoption agency in counties that are not served by a county adoption agency or by a licensed county adoption agency, that there is a compelling reason, as described in paragraph (2) of subdivision (g) of Section 366.21, for determining that a hearing held under Section 366.26 is not in the best interest of the child because the child is not a proper subject for adoption and has no one willing to accept legal guardianship, then the court may, only under these circumstances, order that the child remain in foster care. If the court orders that a child who is 10 years of age or older remain in long-term foster care, the court shall determine whether the agency has made reasonable efforts to maintain the child's relationships with individuals other than the child's siblings who are important to the child, consistent with the child's best interests, and may make any appropriate order to ensure that those relationships are maintained. The hearing shall be held no later than 120 days from the date of the permanency review hearing. The court shall also order termination of reunification services to the parent or legal guardian. The court shall continue to permit the parent or legal guardian to visit the child unless it finds that visitation would be detrimental to the child. The court shall determine whether reasonable services have been offered or provided to the parent or legal guardian. For purposes of this subdivision, evidence of any of the following circumstances shall not, in and of themselves, be deemed a failure to provide or offer reasonable services:

(1) The child has been placed with a foster family that is eligible to adopt a child, or has been placed in a preadoptive home.

(2) The case plan includes services to make and finalize a permanent placement for the child if efforts to reunify fail.

(3) Services to make and finalize a permanent placement for the child, if efforts to reunify fail, are provided concurrently with services to reunify the family.

(b) Whenever a court orders that a hearing pursuant to Section 366.26 shall be held, it shall direct the agency supervising the child and the licensed county adoption agency, or the State Department of Social Services when it is acting as an adoption agency in counties that are not served by a county adoption agency, to prepare an assessment that shall include:

(1) Current search efforts for an absent parent or parents.

(2) A review of the amount of and nature of any contact between the child and his or her parents and other members of his or her extended family since the time of placement. Although the extended family of each child shall be reviewed on a case-by-case basis, "extended family" for the purposes of this paragraph shall include, but not be limited to, the child's siblings, grandparents, aunts, and uncles.

(3) An evaluation of the child's medical, developmental, scholastic, mental, and emotional status.

(4) A preliminary assessment of the eligibility and commitment of any identified prospective adoptive parent or legal guardian, particularly the caretaker, to include a social history including screening for criminal records and prior referrals for child abuse or neglect, the capability to meet the child's needs, and the understanding of the legal and financial rights and responsibilities of adoption and guardianship. If a proposed legal guardian is a relative of the minor, and the relative was assessed for foster care placement of the minor prior to January 1, 1998, the assessment shall also consider, but need not be limited to, all of the factors specified in subdivision (a) of Section 361.3.

(5) The relationship of the child to any identified prospective adoptive parent or legal guardian, the duration and character of the relationship, the motivation for seeking adoption or legal guardianship, and a statement from the child concerning placement and the adoption or legal guardianship, unless the child's age or physical, emotional, or other condition precludes his or her meaningful response, and if so, a description of the condition.

(6) An analysis of the likelihood that the child will be adopted if parental rights are terminated.

(c) This section shall become operative January 1, 1999. If at any hearing held pursuant to Section 366.26, a legal guardianship is established for the minor with a relative, and juvenile court dependency is subsequently dismissed, the relative shall be eligible for aid under the Kin-GAP program or the Kin-GAP Plus program, as provided for in Article 4.5 (commencing with Section 11360) and Article 4.75 (commencing with Section 11380) of Chapter 2 of Part 3 of Division 9.

(d) As used in this section, "relative" means an adult who is related to the child by blood, adoption, or affinity within the fifth degree of kinship, including stepparents, stepsiblings, and all relatives whose status is preceded by the words "great," "great-great," or "grand," or the spouse of any of those persons even if the marriage was terminated by death or dissolution.

(e) The implementation and operation of the amendments to subdivision (a) enacted at the 2005–06 Regular Session shall be subject to appropriation through the budget process and by phase, as provided in Section 366.35.

SEC. 27.1. Section 10507 is added to the Welfare and Institutions Code, to read:

10507. (a) The department shall estimate the costs for county administration of human services programs using county-specific cost factors in the programs' budgeting methodology.

(b) County-specific cost factors shall be estimated using a county survey process that requires county certification of reasonable costs, and review by the department to determine that those costs are reasonable and necessary to meet program requirements and objectives.

(c) No later than November 1, 2006, the department, in consultation with the County Welfare Directors Association, shall develop the survey

instrument and process to incorporate actual reasonable county cost factors to administer human services programs. The survey shall include, but shall not be limited to, salaries and benefits, operating support, electronic data processing, staff development, and other costs reasonable and necessary to meet program requirements and objectives. The process shall include an assessment of how state requirements and county operational practices affect the costs of county administration of human services programs.

(d) Commencing with the May Revision of the 2007–08 budget, and annually thereafter, the department shall identify in its budget documents the estimates developed pursuant to this section and the difference between these estimates and the proposed funding levels.

SEC. 27.2. Section 10533 is added to the Welfare and Institutions Code, to read:

10533. The department shall establish a CalWORKs county peer review process, and shall implement this process first in pilot counties, and then statewide no later than July 1, 2007. The peer review process shall include individual CalWORKs data reviews of counties, based on existing data. Counties shall receive programmatic technical assistance from teams made up of state and peer-county administrators to assist with implementing best practices to improve their performance and make progress toward meeting established state performance goals, as specified in Chapter 1.5 (commencing with Section 10540) and Section 15204.6.

SEC. 27.3. Section 10534 is added to the Welfare and Institutions Code, to read:

10534. (a) Each county shall perform a comprehensive review of its existing CalWORKs plan developed pursuant to Section 10531, and shall prepare and submit to the department a plan addendum detailing how the county will meet the goals defined in Section 10540, while taking into consideration the work participation requirements of the federal Deficit Reduction Act of 2005 (P.L.109-171). The plan shall include immediate and long-range actions that the county will take to improve work participation rates among CalWORKs applicants and recipients. The plan addendum, at a minimum, shall include all of the following:

(1) How the county will address increased participation in the following areas:

(A) Providing upfront engagement activities.

(B) Reengaging noncompliant or sanctioned individuals.

(C) Providing activities to encourage participation and to prevent families from going into sanction status.

(D) Achieving full engagement by individuals who are required to participate, and who are partially participating, not participating, or are between activities.

(E) Other activities designed to increase the county's federal work participation rate.

(2) A description of how the county will utilize the single allocation and other funding that will be committed to the county's CalWORKs program.

(3) A description of anticipated outcomes, including the number of families affected, that will result in county program improvements, and the projected impact on the county's federal work participation rate.

(4) A proposed plan to measure progress in achieving the anticipated outcomes pursuant to paragraph (3) on a quarterly basis.

(5) A description of how the county will collaborate with local agencies, including, but not limited to, local workforce investment boards, community colleges, and adult education and regional occupational programs that provide activities that meet federal work participation requirements and provide participants with skills that will help them achieve long-term self-sufficiency.

(b) Each county shall submit its plan addendum to the department no later than 90 days after the department issues guidance for the addendum by all-county letter. Each addendum shall include a certification that the county board of supervisors has been briefed regarding the contents of the plan.

(c) Within 30 days of receipt of a county plan addendum, the department shall either certify that the plan includes the elements required by subdivision (a) and that the descriptions are consistent with state, and to the extent applicable, federal law, or notify the county that the addendum is not complete or consistent, stating the reasons therefor.

(d) Pending certification of the plan addendum, a county shall continue to operate its program according to its existing plan, and may implement changes consistent with the goals of the activities to be described by the addendum as specified in subdivision (a).

(e) A county shall submit an addendum to the county plan, as required by this chapter once every three years, as required by the department.

SEC. 27.5. Section 10535 is added to the Welfare and Institutions Code, to read:

10535. Notwithstanding any other provision of law, of the amount appropriated in Item 5180-101-0890 in the Budget Act of 2006, ninety million dollars (\$90,000,000) in federal Temporary Assistance for Needy Families block grant funds for the CalWORKs program shall remain eligible for expenditure until June 30, 2008.

SEC. 27.6. Section 10540.6 is added to the Welfare and Institutions Code, to read:

10540.6. Commencing no later than April 1, 2007, the department, on a periodic, but no less frequently than a quarterly basis, shall publish available data reported by counties regarding caseload characteristics, welfare-to-work performance outcomes, engagement rates, and other outcomes consistent with Sections 10534 and 10540.5. The department shall consult with the County Welfare Directors Association, legislative staff, and other stakeholders, when developing the data sources, methodology, and format for the data to be published.

SEC. 27.7. Section 10544 of the Welfare and Institutions Code is amended to read:

10544. (a) If the department finds that a county is experiencing significantly worsened outcomes, it shall report this finding to the Chairs of the Senate Committee on Budget and Fiscal Review, the Assembly Committee on Budget, the Senate Committee on Health and Human Services, and the Assembly Committee on Human Services.

(b) If the state does not achieve the outcomes required by federal law and, as a result, is subject to a fiscal penalty, the penalty shall be shared equally by the state and the counties after exhaustion of all reasonable and available federal administrative remedies. If a county's single allocation pursuant to Section 15204.2 is reduced by the state to offset the county's share of any federal penalty imposed pursuant to this section, the county shall be required to utilize county general funds to replace the offset amount, so that total funding remains equal to the county's single allocation. These funds shall be in addition to the funds required to meet the maintenance of effort requirement pursuant to Section 15204.4. Only those counties that have failed to meet the federal requirements shall be required to share in the fiscal penalty imposed on the state. Those counties' share of the penalty imposed on the state shall equal 50 percent of that penalty. Each county's share of the penalty shall be based, in consultation with the County Welfare Directors Association, on the county's degree of performance that contributes to the failure to meet the federal requirement.

(c) A county may be provided relief, in whole or in part, from a penalty imposed pursuant to subdivision (b) if the department determines that there were circumstances beyond the control of the county. A county may also be provided relief based on the degree of success or progress in meeting federal requirements, and, to the extent that there are differences between state and federal program requirements, the degree of success in meeting state participation requirements. Any adjustment made pursuant to this subdivision shall be reported to the chair of the Joint Legislative Budget Committee. If a county is granted relief, that portion of the total penalty shall not be imposed on the other counties that failed to meet the federal requirements.

(d) A county that fails, without good cause, to submit accurate and timely data used to measure work participation, as required by the department, shall be deemed to have failed to meet applicable federal requirements, and to the extent that there are differences between state and federal program requirements, the degree of success in meeting state participation requirements. For purposes of this subdivision, good cause shall include, but shall not be limited to, the lack of accurate, timely, and complete instructions from the department.

(e) The amendments made to subdivision (b) by adding this subdivision clarify existing law, as enacted by Assembly Bill 1542 (Ch. 270, Stats. 1997).

SEC. 28. Section 10553.25 of the Welfare and Institutions Code is amended to read:

10553.25. (a) The department shall make an annual allocation of funds appropriated for the purpose of this subdivision to all eligible federally recognized American Indian tribes with reservation lands or rancherias located in this state that administer a program pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193).

(b) The department shall collect and maintain specific available data for each tribe in this state for federal fiscal year 1994 for the purpose of the implementation and administration of the federal program.

(c) The department shall submit requests on behalf of tribes, for all applicable federal waivers and exemptions for all eligible federally recognized American Indian tribes located on reservations and rancherias, or for consortia of tribes, for the administration of the CalWORKs program, whether or not tribes administer an approved Temporary Assistance for Needy Families (TANF) plan, independent of any county participation, demographics, or circumstances.

(d) Each county, in the administration of the CalWORKs program, shall consult with all eligible federally recognized tribes within any portion of the county, for the purpose of providing American Indian recipients with equitable access to assistance under the state program or an approved tribal TANF program if implemented in the county, and for the consideration of transfers of administration responsibilities to those entities.

(e) Beginning July 1, 2006, state funding for tribal TANF programs provided pursuant to this section shall be based on the caseload used to develop the Tribal Family Assistance Grant negotiated with the Administration for Children and Families and the state. Tribal TANF programs shall do both of the following:

(1) Report to the department, on a quarterly basis, the aggregated data, as reported by tribal TANF programs to the federal Department of Health and Human Services pursuant to paragraph (2) of subdivision (b) of Part 286.255 of Title 45 of the Code of Federal Regulations, and any additional federal data required to meet the state maintenance of effort (MOE) reporting requirements.

(2) Provide the department, on an annual basis, corresponding with the program's fiscal year, a certified audit in accordance with the requirements of the federal Office of Management and Budget (OMB) Circular A-133.

(f) In no case shall the state match under subdivision (e) exceed the original state share designated for the tribal TANF program in the original negotiation of 1994 caseload counts.

(g) The department shall amend the state TANF plan to reflect that the state adopts by reference the federally approved financial eligibility criteria established by each tribal TANF program as the state's financial eligibility criteria when determining eligibility for state funded services provided by tribal TANF programs.

(h) Beginning July 1, 2005, the department shall not reduce county single allocations to offset funding provided for tribal TANF programs. The department may adjust county single allocations to reflect the actual

caseload declines associated with the number of Native American cases transferring from the counties to the tribal TANF programs.

SEC. 29.01. Section 10609.9 is added to the Welfare and Institutions Code, to read:

10609.9. (a) (1) Commencing with the 2006 Budget Act, of the amounts appropriated in Program 25.30-Children and Adult Services and Licensing, in Items 5180-151-0001 and 5180-151-0890 of the annual Budget Act, ninety-eight million dollars (\$98,000,000) is annually designated for needed outcome improvements identified in the county system improvement plans. These funds shall be allocated based on a methodology developed by the department, in consultation with the County Welfare Directors Association. Funds appropriated for child welfare services outcome improvements shall be flexible and may be spent on local priorities identified in the county's system improvement plan, including, but not limited to, any of the following:

(A) Reducing high worker caseloads.

(B) Clerical or paraprofessional support.

(C) Direct services to clients, such as mental health or substance abuse treatment.

(D) Prevention and early intervention services, such as differential response.

(E) Permanency and youth transition practice improvements.

(F) Any other investments to better serve children and families, which may include services to support older youth in foster care, such as mentoring services.

(2) A county is not required to provide a match of the funds described in this subdivision if the county appropriates the required full match for the county's child welfare services program exclusive of the funds received pursuant to this subdivision.

(3) It is the intent of the Legislature that these funds be linked to improved outcomes, and provided to counties on an ongoing basis.

(b) By February 1, 2007, the department shall work with the County Welfare Directors Association, legislative staff, and members of organizations that represent social workers, to develop and submit to the Legislature a proposed methodology for budgeting the child welfare services program to meet the program requirements and outcomes identified in Section 10601.2. It is the intent of the Legislature that this methodology be implemented in the Budget Act of 2007.

(c) In developing the new methodology, the department shall consider available research, including the study required by Section 10609.5, industry standards developed by recognized child welfare organizations and accrediting bodies, budgeting methodologies used in other states, as well as available research and information regarding budgeting methodologies in support of best practices and improved outcomes.

SEC. 29.1. Section 11216 is added to the Welfare and Institutions Code, to read:

11216. (a) Notwithstanding any other provision of law, federal Temporary Assistance for Needy Families block grant funds or state maintenance of effort funds may only be expended outside of the CalWORKs program if the expenditure does not result in additional caseload to be included in the calculation of the state's Temporary Assistance for Needy Families program caseload reduction credit.

(b) Notwithstanding any other provision of law, the amount of federal Temporary Assistance for Needy Families block grant funds authorized for any program except the CalWORKs program shall not be increased above the amount appropriated in the annual Budget Act.

SEC. 29.2. Section 11320.32 is added to the Welfare and Institutions Code, to read:

11320.32. (a) The department shall administer a voluntary Temporary Assistance Program (TAP) for current and future CalWORKs recipients who meet the exemption criteria for work participation activities set forth in Section 11320.3, and are not single parents who have a child under the age of one year. Temporary Assistance Program recipients shall be entitled to the same assistance payments and other benefits as recipients under the CalWORKs program. The purpose of this program is to provide cash assistance and other benefits to eligible families without any federal restrictions or requirements and without any adverse impact on recipients. Subject to the conditions specified in subdivision (b), the Temporary Assistance Program shall commence no later than April 1, 2007.

(b) The department shall review the emergency federal regulations concerning the Temporary Assistance for Needy Families program required by subdivision (c) of Section 7102 of the Deficit Reduction Act of 2005 (P.L. 109-171). If the department finds, upon reviewing these regulations and consulting with the Legislature and CalWORKs program stakeholders, that the Temporary Assistance Program provided for by this section would not be feasible or meet the Legislature's stated purposes, it may suspend implementation of the Temporary Assistance Program until October 1, 2007. In order to suspend implementation, the department shall first provide written justification to the Joint Legislative Budget Committee explaining why the Temporary Assistance Program would be infeasible.

(c) CalWORKs recipients who meet the exemption criteria for work participation activities set forth in subdivision (b) of Section 11320.3, and are not single parents with a child under the age of one year, shall have the option of receiving grant payments, child care, and transportation services from the Temporary Assistance Program. The department shall notify all CalWORKs recipients and applicants meeting the exemption criteria specified in subdivision (b) of Section 11320.3, except for single parents with a child under the age of one year, of their option to receive benefits under the Temporary Assistance Program. Absent written indication that these recipients or applicants choose not to receive assistance from the Temporary Assistance Program, the department shall enroll CalWORKs recipients and applicants into the program. However, exempt volunteers

shall remain in the CalWORKs program unless they affirmatively indicate, in writing, their interest in enrolling in the Temporary Assistance Program. A Temporary Assistance Program recipient who no longer meets the exemption criteria set forth in Section 11320.3 shall be enrolled in the CalWORKs program.

(d) Funding for grant payments, child care, transportation, and eligibility determination activities for families receiving benefits under the Temporary Assistance Program shall be funded with General Fund resources that do not count toward the state's maintenance of effort requirements under clause (i) of subparagraph (B) of paragraph (7) of subdivision (a) of Section 609 of Title 42 of the United States Code, up to the caseload level equivalent to the amount of funding provided for this purpose in the annual Budget Act.

(e) It is the intent of the Legislature that recipients shall have and maintain access to the hardship exemption and the services necessary to begin and increase participation in welfare-to-work activities, regardless of their county of origin, and that the number of recipients exempt under subdivision (b) of Section 11320.3 not significantly increase due to factors other than changes in caseload characteristics. All relevant state law applicable to CalWORKs recipients shall also apply to families funded under this section. Nothing in this section modifies the criteria for exemption in Section 11320.3.

(f) To the extent that this section is inconsistent with federal regulations due to be issued June 30, 2006, regarding implementation of the Deficit Reduction Act of 2005, the department may amend the funding structure for exempt families to ensure consistency with the June 30 regulations, not later than 30 days after providing written notification to the chair of the Joint Legislative Budget Committee and the chairs of the appropriate policy and fiscal committees of the Legislature.

SEC. 29.3. Section 11327.5 of the Welfare and Institutions Code is amended to read:

11327.5. (a) Sanctions shall be imposed in accordance with subdivision (b) or (c), as appropriate, if an individual has failed or refused to comply with program requirements without good cause and conciliation efforts, as described in Section 11327.4, have failed.

(b) The sanctions provided for in subdivisions (c) and (d) shall not apply to an individual who is exempt from the requirements of this article but is voluntarily participating in the program. If such an individual engages in conduct that would bring about the actions provided for in subdivisions (c) and (d), except for his or her status as a voluntary program participant, the individual shall not be given priority so long as other individuals are actively seeking to participate.

(c) Financial sanctions for failing or refusing to comply with program requirements without good cause shall cause a reduction in the family's grant by removing the noncomplying family member from the assistance unit for a period of time specified in subdivision (d).

(1) For families that qualify for aid due to unemployment of the family's primary wage earner, the sanctioned parent shall be removed from the assistance unit. Unless the spouse or the family's second parent meets the provisions of subparagraph (A) of paragraph (2), if the sanctioned parent's spouse or the family's second parent is not participating in the program, both the sanctioned parent and the spouse or second parent shall be removed from the assistance unit. The county shall notify the spouse of the noncomplying participant or second parent in writing at the commencement of conciliation of his or her own opportunity to participate and the impact on sanctions of that participation.

(2) (A) Except as provided in subparagraph (B), exemption criteria specified in Section 11320.3, conciliation specified in Section 11327.4, and good cause criteria specified in Section 11320.31 and subdivision (f) of Section 11320.3 shall apply to the sanctioned parent's spouse or the family's second parent.

(B) Exemption criteria specified in paragraphs (5) and (6) of subdivision (b) of Section 11320.3 do not apply to a spouse or second parent who is participating to avoid the sanction of the noncomplying parent.

(C) If the sanctioned parent's spouse or the family's second parent chooses to participate to avoid the noncomplying parent's sanction, subsequently fails or refuses to participate without good cause, and does not conciliate, he or she shall be removed from the assistance unit for a period of time specified in subdivision (d).

(D) If the sanctioned parent's spouse or the family's second parent is under his or her own sanction at the time of the first parent's sanction, the spouse or second parent shall not be provided the opportunity to avoid the first parent's sanction until the spouse or second parent's sanction is completed.

(3) For families that qualify due to the absence or incapacity of a parent, only the noncomplying parent shall be removed from the assistance unit.

(4) If the noncomplying individual is the only dependent child in the family, his or her needs shall not be taken into account in determining the family's need for assistance and the amount of the assistance payment.

(5) If the noncomplying individual is one of several dependent children in the family, his or her needs shall not be taken into account in determining the family's need for assistance and the amount of the assistance payment.

(d) An instance of noncompliance without good cause shall result in a financial sanction. This sanction shall terminate at any point if the noncomplying participant performs the activity or activities he or she previously refused to perform.

(e) Sanctions shall become effective on the first day of the first payment-month that the sanctioned individual's needs are removed from aid under this chapter.

(f) In the event this section conflicts with federal law, the department shall adopt regulations to conform to federal law.

SEC. 29.31. Section 11363 of the Welfare and Institutions Code is amended to read:

11363. (a) Aid in the form of Kin-GAP shall be provided under this article on behalf of any child under 18 years of age who meets all of the following conditions:

(1) Has been adjudged a dependent child of the juvenile court pursuant to Section 300.

(2) Has been living with a relative for at least 12 consecutive months.

(3) Has had a kinship guardianship with that relative established as the result of the implementation of a permanent plan pursuant to Section 366.26.

(4) Has had his or her dependency dismissed after January 1, 2000, pursuant to Section 366.3, concurrently or subsequent to the establishment of the kinship guardianship.

(b) Kin-GAP payments shall continue after the child's 18th birthday if the conditions specified in Section 11403 are met.

(c) Termination of the guardianship with a kinship guardian shall terminate eligibility for Kin-GAP; provided, however, that if an alternate guardian or coguardian is appointed pursuant to Section 366.3 who is also a kinship guardian, the alternate or coguardian shall be entitled to receive Kin-GAP on behalf of the child pursuant to this article. A new period of 12 months of placement with the alternate guardian or coguardian shall not be required if that alternate guardian or coguardian has been assessed pursuant to Section 361.3 and the court terminates dependency jurisdiction.

(d) This section shall become inoperative on October 1, 2006, and as of that date is repealed, but only if the department suspends the voluntary enrollment of Kin-GAP beneficiaries into the Kin-GAP Plus Program pursuant to subdivision (b) of Section 11380.1.

SEC. 29.32. Section 11363 is added to the Welfare and Institutions Code, to read:

11363. (a) Aid in the form of Kin-GAP shall be provided under this article on behalf of any child under 18 years of age who meets all of the following conditions:

(1) Has been adjudged a dependent child of the juvenile court pursuant to Section 300, or ward of the juvenile court pursuant to Section 601 or 602.

(2) Has been living with a relative for at least 12 consecutive months.

(3) Has had a kinship guardianship with that relative established as the result of the implementation of a permanent plan pursuant to Section 366.26.

(4) Has had his or her dependency dismissed after January 1, 2000, pursuant to Section 366.3, or his or her wardship terminated pursuant to subdivision (e) of Section 728, concurrently or subsequently to the establishment of the kinship guardianship.

(b) Kin-GAP payments shall continue after the child's 18th birthday if the conditions specified in Section 11403 are met.

(c) Termination of the guardianship with a kinship guardian shall terminate eligibility for Kin-GAP; provided, however, that if an alternate guardian or coguardian is appointed pursuant to Section 366.3 who is also a kinship guardian, the alternate or coguardian shall be entitled to receive a Kin-GAP on behalf of the child pursuant to this article. A new period of 12 months of placement with the alternate guardian or coguardian shall not be required if that alternate guardian or coguardian has been assessed pursuant to Section 361.3 and the court terminates dependency jurisdiction.

(d) This section shall become operative on October 1, 2006, but only if the department suspends the voluntary enrollment of Kin-GAP beneficiaries into the Kin-GAP Plus Program pursuant to subdivision (b) of Section 11380.1.

SEC. 29.4. Section 11364 of the Welfare and Institutions Code is amended to read:

11364. (a) Notwithstanding subdivision (a) of Section 11450, the rate paid on behalf of children eligible for a Kin-GAP payment shall equal 100 percent of the rate for children placed in a licensed or approved home as specified in subdivisions (a) to (d), inclusive, of Section 11461.

(b) This section shall remain operative until October 1, 2006, and as of that date is repealed but only if the department suspends the voluntary enrollment of Kin-GAP beneficiaries into the Kin-GAP Plus Program, pursuant to subdivision (b) of Section 11380.1.

SEC. 29.5. Section 11364 is added to the Welfare and Institutions Code, to read:

11364. (a) Notwithstanding subdivision (a) of Section 11450, the rate paid on behalf of children eligible for a Kin-GAP payment shall equal 100 percent of the rate for children placed in a licensed or approved home as specified in subdivisions (a) to (d), inclusive, of Section 11461. In addition the rate paid for a child eligible for a Kin-GAP payment shall be increased by an amount equal to the clothing allowances, as set forth in subdivision (f) of Section 11461, to which the child would have been entitled while in foster care, including any applicable rate adjustments. In addition, if a child, while in foster care, received a specialized care increment, as defined in paragraph (1) of subdivision (e) of Section 11461, the Kin-GAP rate shall be adjusted by the specialized care increment amount, including any applicable rate adjustments.

(b) This section shall become operative on October 1, 2006, but only if the department suspends the voluntary enrollment of Kin-GAP beneficiaries into the Kin-GAP Plus Program, pursuant to subdivision (b) of Section 11380.1.

SEC. 29.6. Section 11367 of the Welfare and Institutions Code is amended to read:

11367. Kin-GAP, in an amount equal to the applicable regional per-child CalWORKs grant, shall be paid by the state. The balance of

Kin-GAP shall be paid in equal portions by the state and the counties. The state share of benefits and administration of the Kin-GAP program shall be funded with General Fund resources that do not count toward the state's maintenance of effort requirements under Section 609(s)(7)(B)(i) of Title 42 of the United States Code.

SEC. 30. Article 4.75 (commencing with Section 11380) is added to Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

Article 4.75. Kinship Guardianship Assistance Payment Plus Program

11380. Effective October 1, 2006, the department shall establish a Kinship Guardianship Assistance Payment Plus Program (Kin-GAP Plus) as provided in this article.

11380.1. (a) The Legislature finds and declares that the Kinship Guardianship Assistance Payment Plus Program is intended to enhance family preservation and stability by recognizing that many children are in long-term, stable placements with relatives, that these placements are the permanent plan for the child, that dependencies can be dismissed pursuant to Section 366.3 with legal guardianship granted to the relative, and that there is no need for continued governmental intervention in the family life through ongoing, scheduled court and social services supervision of the placement. This program is a voluntary alternative to the Kin-GAP program, and the department, in conjunction with county welfare departments, under authority of Section 11380.55 shall provide information regarding the Kin-GAP Plus Program to all current Kin-GAP recipients and new applicants. The Legislature finds and declares that the Kin-GAP and Kin-GAP Plus Programs result in savings for counties by reducing costs for child welfare services, foster care, and court costs that more than offset the costs associated with the programs.

(b) The department shall review the emergency federal regulations concerning the Temporary Assistance for Needy Families program required by subdivision (c) of Section 7102 of the federal Deficit Reduction Act of 2005 (P.L. 109-171). If the department finds, upon reviewing these regulations, and consulting with the Legislature and CalWORKs and Kin-GAP program stakeholders, that the voluntary enrollment of Kin-GAP beneficiaries into the Kin-GAP Plus Program specified in subdivision (a) would not be advantageous to the state, it may suspend the voluntary enrollment of Kin-GAP beneficiaries into the Kin-GAP Plus Program until October 1, 2007. In order to suspend the voluntary enrollment, the State Department of Social Services shall first provide written justification to the Joint Legislative Budget Committee explaining why voluntary enrollment would be infeasible.

11380.15. For purposes of this article, the following definitions shall apply:

(a) “Kinship Guardianship Assistance Payments Plus (Kin-GAP Plus)” means the aid provided on behalf of children in kinship care under the terms of this article.

(b) “Kinship guardian” means a person who (1) has been appointed the legal guardian of a dependent child pursuant to Section 366.26, or has had a legal guardianship with a relative established as part of permanency proceeding pursuant to paragraph (4) of subdivision (b) of Section 727.3, and (2) is a relative of the child.

(c) “Relative” means an adult who is related to the child by blood, adoption, or affinity within the fifth degree of kinship, including stepparents, stepsiblings, and all relatives whose status is preceded by the words “great,” “great-great,” or “grand” or the spouse of any of those persons even if the marriage was terminated by death or dissolution.

11380.2. (a) Aid in the form of Kin-GAP Plus shall be provided under this article on behalf of any child younger than 18 years of age who meets all of the following conditions:

(1) The child has been adjudged a dependent child of the juvenile court pursuant to Section 300, or a ward of the juvenile court pursuant to Section 601 or 602.

(2) The child has been living with a relative for at least 12 consecutive months.

(3) The child has had a kinship guardianship with that relative established as the result of the implementation of a permanent plan pursuant to Section 366.26 or Section 728.

(4) The child has had his or her dependency dismissed after January 1, 2000, pursuant to Section 366.3, or his or her wardship terminated pursuant to subdivision (e) of Section 728, concurrently or subsequent to the establishment of the kinship guardianship.

(b) Kin-GAP Plus payments shall continue after the child’s 18th birthday if the conditions specified in Section 11403 are met.

(c) Termination of the guardianship with a kinship guardian shall terminate eligibility for Kin-GAP Plus; provided, however, that if an alternate guardian or coguardian is appointed pursuant to Section 366.3 who is also a kinship guardian, the alternate or coguardian shall be entitled to receive Kin-GAP Plus on behalf of the child pursuant to this article. A new period of 12 months of placement with the alternate guardian or coguardian shall not be required if that alternate guardian or coguardian has been assessed pursuant to Section 361.3 and the court terminates dependency jurisdiction.

11380.25. Notwithstanding subdivision (a) of Section 11450, the rate paid on behalf of children eligible for a Kin-GAP Plus payment shall equal 100 percent of the rate for children placed in a licensed or approved home as specified in subdivisions (a) to (d), inclusive, and the amount payable under subdivision (f) of Section 11461, and under subdivision (e) of Section 11461, to the extent that benefits under subdivision (e) of that section were received immediately prior to enrollment in the Kin-GAP Program or the Kin-GAP Plus Program.

11380.35. Kin-GAP Plus shall be paid to the kinship guardian on a per-child basis.

11380.4. A child who is eligible to receive Medi-Cal benefits with no share of cost shall maintain that eligibility, notwithstanding the receipt of Kin-GAP Plus by his or her kinship guardian.

11380.45. Kin-GAP Plus, in an amount equal to the applicable regional per-child CalWORKs grant, shall be paid by the state. The balance of Kin-GAP Plus payments, as specified in Section 11380.25, shall be paid in equal portions by the state and the counties. The state's share of benefits and administration of the Kin-GAP Plus program shall be funded with General Fund resources that do not count toward the state's maintenance of effort requirements under Section 609(a)(7)(B)(i) of Title 42 of the United States Code.

11380.5. (a) The department shall seek any waiver from the Secretary of the United States Department of Health and Human Services that is necessary to implement this article.

(b) Any provision of this article that may only be implemented pursuant to a waiver described in subdivision (a) shall only be operative during the period for which the waiver is granted, as stated in a declaration that shall be executed by the director when the waiver is obtained.

11380.55. (a) Notwithstanding the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, through May 1, 2007, the department may implement the applicable provisions of the Kin-GAP Plus Program through all-county letters or similar instructions from the director.

(b) The director shall adopt emergency regulations as otherwise necessary to implement the applicable provisions of the Kin-GAP Plus Program no later than May 1, 2007. The adoption of regulations implementing this section shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. The emergency regulations authorized by this section shall be exempt from review by the Office of Administrative Law. The emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and shall remain in effect for no more than 180 days, by which time the final regulations shall be adopted.

11380.6. Income to the child, including the Kin-GAP Plus payment, shall not be considered income to the kinship guardian for purposes of determining the kinship guardian's eligibility for any other aid program, unless required by federal law as a condition of the receipt of federal financial participation.

11380.65. (a) A person who is a kinship guardian under this article, and who has met the requirements of Section 361.4, shall be exempt from Chapter 4.6 (commencing with Section 10830) of Part 2 governing the statewide fingerprint imaging system. A guardian who is also an applicant for or a recipient of benefits under the CalWORKs program, Chapter 2 (commencing with Section 11200) of Part 3, or the Food Stamp Program,

Chapter 10 (commencing with Section 18900) of Part 6 shall comply with the statewide fingerprint imaging system requirements applicable to those programs.

(b) Any exemptions exercised pursuant to this section shall be implemented in accordance with Section 11380.55.

11380.7. Three years after the initial implementation date of this article, the department shall report to the Legislature information on the outcomes of the Kin-GAP Plus Program, with the report to include all of the following:

(a) The number and characteristics of the children who exited the child welfare system to the Kin-GAP Plus Program.

(b) The numbers and types of disruptions to the Kin-GAP Plus Program, including subsequent substantiated child abuse reports, child welfare services, and cases where children return to foster care.

(c) Rates of Kin-GAP Plus exits from foster care compared to relative adoption and return to parents.

(d) A comparison to the results of the Kin-GAP Program.

11380.75. (a) Each county that formally had court-ordered jurisdiction under Section 300 over a child receiving benefits under the Kin-GAP Plus Program shall be responsible for paying the child's aid regardless of where the child actually resides, provided that the child resides in California.

(b) Notwithstanding any other provision of law, when a child receiving benefits under the CalWORKs program or the AFDC-FC foster care program becomes eligible for benefits under the Kin-GAP Plus Program during any month, the child shall continue to receive benefits under the CalWORKs program or the AFDC-FC foster care program, as appropriate, to the end of that calendar month, and Kin-GAP Plus payments shall begin the first day of the following month.

11380.8. The following shall apply to any child in receipt of Kin-GAP Plus benefits:

(a) He or she is eligible to request and receive independent living services pursuant to Section 10609.3.

(b) He or she may retain cash savings, not to exceed ten thousand dollars (\$10,000), including interest, in addition to any other property accumulated pursuant to Section 11257 or 11257.5.

SEC. 31. Section 11403.3 of the Welfare and Institutions Code is amended to read:

11403.3. (a) (1) Subject to subdivision (b), a transitional housing placement program, as defined in Section 11400, that provides transitional housing services to an eligible youth in a facility licensed pursuant to subdivision (a) of Section 1559.110 of the Health and Safety Code, shall be paid a monthly rate that is 75 percent of the average foster care expenditures for foster youth 16 to 18 years of age, inclusive, in group home care in the county in which the program operates.

(2) Subject to subdivision (c), a transitional housing placement program, as defined in Section 11400, that provides transitional housing services to an eligible youth in a facility certified pursuant to subdivision

(e) of Section 1559.110 of the Health and Safety Code, shall be paid a monthly rate that is 70 percent of the average foster care expenditures for foster youth 16 to 18 years of age, inclusive, in group home care in the county in which the program operates.

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

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

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

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

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

(c) (1) Payment to a transitional housing placement program for transitional housing services provided pursuant to paragraph (2) of subdivision (a) of Section 11403.2 shall be subject to the following conditions:

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

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

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

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

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

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

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

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

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

SEC. 31.1. Section 11450 of the Welfare and Institutions Code, as amended by Section 18 of Chapter 147 of the Statutes of 1999, is amended to read:

11450. (a) (1) Aid shall be paid for each needy family, which shall include all eligible brothers and sisters of each eligible applicant or recipient child and the parents of the children, but shall not include unborn children, or recipients of aid under Chapter 3 (commencing with Section 12000), qualified for aid under this chapter. In determining the amount of aid paid, and notwithstanding the minimum basic standards of adequate care specified in Section 11452, the family's income, exclusive of any amounts considered exempt as income or paid pursuant to subdivision (e) or Section 11453.1 shall be deducted from the sum specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2). In no case shall the amount of aid paid for each month exceed the sum specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2), plus any special needs, as specified in subdivisions (c), (e), and (f):

Number of eligible needy persons in the same home	Maximum aid
1.....	\$ 326
2.....	535
3.....	663
4.....	788
5.....	899
6.....	1,010
7.....	1,109
8.....	1,209
9.....	1,306
10 or more.....	1,403

If, when, and during those times that the United States government increases or decreases its contributions in assistance of needy children in this state above or below the amount paid on July 1, 1972, the amounts specified in the above table shall be increased or decreased by an amount

equal to that increase or decrease by the United States government, provided that no increase or decrease shall be subject to subsequent adjustment pursuant to Section 11453.

(2) The sums specified in paragraph (1) shall not be adjusted for cost of living for the 1990–91, 1991–92, 1992–93, 1993–94, 1994–95, 1995–96, 1996–97, and 1997–98 fiscal years, and through October 31, 1998, nor shall that amount be included in the base for calculating any cost-of-living increases for any fiscal year thereafter. Elimination of the cost-of-living adjustment pursuant to this paragraph shall satisfy the requirements of Section 11453.05, and no further reduction shall be made pursuant to that section.

(b) When the family does not include a needy child qualified for aid under this chapter, aid shall be paid to a pregnant mother for the month in which the birth is anticipated and for the three-month period immediately prior to the month in which the birth is anticipated in the amount which would otherwise be paid to one person, as specified in subdivision (a), if the mother, and child if born, would have qualified for aid under this chapter. Verification of pregnancy shall be required as a condition of eligibility for aid under this subdivision. Aid shall also be paid to a pregnant woman with no other children in the amount which would otherwise be paid to one person under subdivision (a) at any time after verification of pregnancy if the pregnant woman is also eligible for the Cal-Learn Program described in Article 3.5 (commencing with Section 11331) and if the mother and child, if born, would have qualified for aid under this chapter.

(c) The amount of forty-seven dollars (\$47) per month shall be paid to pregnant mothers qualified for aid under subdivision (a) or (b) to meet special needs resulting from pregnancy if the mother, and child, if born, would have qualified for aid under this chapter. County welfare departments shall refer all recipients of aid under this subdivision to a local provider of the Women, Infants and Children program. If that payment to pregnant mothers qualified for aid under subdivision (a) is considered income under federal law in the first five months of pregnancy, payments under this subdivision shall not apply to persons eligible under subdivision (a), except for the month in which birth is anticipated and for the three-month period immediately prior to the month in which delivery is anticipated, if the mother, and the child if born, would have qualified for aid under this chapter.

(d) For children receiving AFDC-FC under this chapter, there shall be paid, exclusive of any amount considered exempt as income, an amount of aid each month which, when added to the child's income, is equal to the rate specified in Section 11460, 11461, 11462, 11462.1, or 11463. In addition, the child shall be eligible for special needs, as specified in departmental regulations.

(e) In addition to the amounts payable under subdivision (a) and Section 11453.1, a family shall be entitled to receive an allowance for recurring special needs not common to a majority of recipients. These

recurring special needs shall include, but not be limited to, special diets upon the recommendation of a physician for circumstances other than pregnancy, and unusual costs of transportation, laundry, housekeeping service, telephone, and utilities. The recurring special needs allowance for each family per month shall not exceed that amount resulting from multiplying the sum of ten dollars (\$10) by the number of recipients in the family who are eligible for assistance.

(f) After a family has used all available liquid resources, both exempt and nonexempt, in excess of one hundred dollars (\$100), the family shall also be entitled to receive an allowance for nonrecurring special needs.

(1) An allowance for nonrecurring special needs shall be granted for replacement of clothing and household equipment and for emergency housing needs other than those needs addressed by paragraph (2). These needs shall be caused by sudden and unusual circumstances beyond the control of the needy family. The department shall establish the allowance for each of the nonrecurring special need items. The sum of all nonrecurring special needs provided by this subdivision shall not exceed six hundred dollars (\$600) per event.

(2) Homeless assistance is available to a homeless family seeking shelter when the family is eligible for aid under this chapter. Homeless assistance for temporary shelter is also available to homeless families which are apparently eligible for aid under this chapter. Apparent eligibility exists when evidence presented by the applicant or which is otherwise available to the county welfare department and the information provided on the application documents indicate that there would be eligibility for aid under this chapter if the evidence and information were verified. However, an alien applicant who does not provide verification of his or her eligible alien status, or a woman with no eligible children who does not provide medical verification of pregnancy, is not apparently eligible for purposes of this section.

A family is considered homeless, for the purpose of this section, when the family lacks a fixed and regular nighttime residence; or the family has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations; or the family is residing in a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings. A family is also considered homeless for the purpose of this section if the family has received a notice to pay rent or quit. The family shall demonstrate that the eviction is the result of a verified financial hardship as a result of extraordinary circumstances beyond their control, and not other lease or rental violations, and that the family is experiencing a financial crisis that could result in homelessness if preventative assistance is not provided.

(A) (i) A nonrecurring special need of sixty-five dollars (\$65) a day shall be available to families of up to four members for the costs of temporary shelter, subject to the requirements of this paragraph. The fifth and additional members of the family shall each receive fifteen dollars

(\$15) per day, up to a daily maximum of one hundred twenty-five dollars (\$125). County welfare departments may increase the daily amount available for temporary shelter as necessary to secure the additional bedspace needed by the family.

(ii) This special need shall be granted or denied immediately upon the family's application for homeless assistance, and benefits shall be available for up to three working days. The county welfare department shall verify the family's homelessness within the first three working days and if the family meets the criteria of questionable homelessness established by the department, the county welfare department shall refer the family to its early fraud prevention and detection unit, if the county has such a unit, for assistance in the verification of homelessness within this period.

(iii) After homelessness has been verified, the three-day limit shall be extended for a period of time which, when added to the initial benefits provided, does not exceed a total of 16 calendar days. This extension of benefits shall be done in increments of one week and shall be based upon searching for permanent housing which shall be documented on a housing search form; good cause; or other circumstances defined by the department. Documentation of housing search shall be required for the initial extension of benefits beyond the three-day limit and on a weekly basis thereafter as long as the family is receiving temporary shelter benefits. Good cause shall include, but is not limited to, situations in which the county welfare department has determined that the family, to the extent it is capable, has made a good faith but unsuccessful effort to secure permanent housing while receiving temporary shelter benefits.

(B) A nonrecurring special need for permanent housing assistance is available to pay for last month's rent and security deposits when these payments are reasonable conditions of securing a residence, or to pay for up to two months of rent arrearages, when these payments are a reasonable condition of preventing eviction.

The last month's rent or monthly arrearage portion of the payment (1) shall not exceed 80 percent of the family's total monthly household income without the value of food stamps or special needs for a family of that size and (2) shall only be made to families that have found permanent housing costing no more than 80 percent of the family's total monthly household income without the value of food stamps or special needs for a family of that size.

However, if the county welfare department determines that a family intends to reside with individuals who will be sharing housing costs, the county welfare department shall, in appropriate circumstances, set aside the condition specified in clause (2) of the preceding paragraph.

(C) The nonrecurring special need for permanent housing assistance is also available to cover the standard costs of deposits for utilities which are necessary for the health and safety of the family.

(D) A payment for or denial of permanent housing assistance shall be issued no later than one working day from the time that a family presents

evidence of the availability of permanent housing. If an applicant family provides evidence of the availability of permanent housing before the county welfare department has established eligibility for aid under this chapter, the county welfare department shall complete the eligibility determination so that the denial of or payment for permanent housing assistance is issued within one working day from the submission of evidence of the availability of permanent housing, unless the family has failed to provide all of the verification necessary to establish eligibility for aid under this chapter.

(E) (i) Except as provided in clauses (ii) and (iii), eligibility for the temporary shelter assistance and the permanent housing assistance pursuant to this paragraph shall be limited to one period of up to 16 consecutive calendar days of temporary assistance and one payment of permanent assistance. Any family that includes a parent or nonparent caretaker relative living in the home who has previously received temporary or permanent homeless assistance at any time on behalf of an eligible child shall not be eligible for further homeless assistance. Any person who applies for homeless assistance benefits shall be informed that the temporary shelter benefit of up to 16 consecutive days is available only once in a lifetime, with certain exceptions, and that a break in the consecutive use of the benefit constitutes permanent exhaustion of the temporary benefit.

(ii) A family that becomes homeless as a direct and primary result of a state or federally declared natural disaster shall be eligible for temporary and permanent homeless assistance.

(iii) A family shall be eligible for temporary and permanent homeless assistance when homelessness is a direct result of domestic violence by a spouse, partner, or roommate; physical or mental illness that is medically verified that shall not include a diagnosis of alcoholism, drug addiction, or psychological stress; or, the uninhabitability of the former residence caused by sudden and unusual circumstances beyond the control of the family including natural catastrophe, fire, or condemnation. These circumstances shall be verified by a third-party governmental or private health and human services agency and homeless assistance payments based on these specific circumstances may not be received more often than once in any 12-month period. A county may require that a recipient of homeless assistance benefits who qualifies under this paragraph for a second time in a 24-month period participate in a homelessness avoidance case plan as a condition of eligibility for homeless assistance benefits.

(iv) The county welfare department shall report to the department through a statewide homeless assistance payment indicator system, necessary data, as requested by the department, regarding all recipients of aid under this paragraph.

(F) The county welfare departments, and all other entities participating in the costs of the AFDC program, have the right in their share to any refunds resulting from payment of the permanent housing. However, if an emergency requires the family to move within the 12-month period

specified in subparagraph (E), the family shall be allowed to use any refunds received from its deposits to meet the costs of moving to another residence.

(G) Payments to providers for temporary shelter and permanent housing and utilities shall be made on behalf of families requesting these payments.

(H) The daily amount for the temporary shelter special need for homeless assistance may be increased if authorized by the current year's Budget Act by specifying a different daily allowance and appropriating the funds therefor.

(I) No payment shall be made pursuant to this paragraph unless the provider of housing is a commercial establishment, shelter, or person in the business of renting properties who has a history of renting properties.

(g) The department shall establish rules and regulations assuring the uniform application statewide of this subdivision.

(h) The department shall notify all applicants and recipients of aid through the standardized application form that these benefits are available and shall provide an opportunity for recipients to apply for the funds quickly and efficiently.

(i) Except for the purposes of Section 15200, the amounts payable to recipients pursuant to Section 11453.1 shall not constitute part of the payment schedule set forth in subdivision (a).

The amounts payable to recipients pursuant to Section 11453.1 shall not constitute income to recipients of aid under this section.

(j) For children receiving Kin-GAP pursuant to Article 4.5 (commencing with Section 11360) of Chapter 2, there shall be paid, exclusive of any amount considered exempt as income, an amount of aid each month, which, when added to the child's income, is equal to the rate specified in Section 11364.

SEC. 31.2. Section 11450 of the Welfare and Institutions Code, as amended by Section 328 of Chapter 62 of the Statutes of 2003, is amended to read:

11450. (a) (1) Aid shall be paid for each needy family, which shall include all eligible brothers and sisters of each eligible applicant or recipient child and the parents of the children, but shall not include unborn children, or recipients of aid under Chapter 3 (commencing with Section 12000), qualified for aid under this chapter. In determining the amount of aid paid, and notwithstanding the minimum basic standards of adequate care specified in Section 11452, the family's income, exclusive of any amounts considered exempt as income or paid pursuant to subdivision (e) or Section 11453.1, averaged for the prospective quarter pursuant to Sections 11265.2 and 11265.3, and then calculated pursuant to Section 11451.5, shall be deducted from the sum specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2). In no case shall the amount of aid paid for each month exceed the sum specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2), plus any special needs, as specified in subdivisions (c), (e), and (f):

Number of eligible needy persons in the same home	Maximum aid
1.....	\$ 326
2.....	535
3.....	663
4.....	788
5.....	899
6.....	1,010
7.....	1,109
8.....	1,209
9.....	1,306
10 or more.....	1,403

If, when, and during those times that the United States government increases or decreases its contributions in assistance of needy children in this state above or below the amount paid on July 1, 1972, the amounts specified in the above table shall be increased or decreased by an amount equal to that increase or decrease by the United States government, provided that no increase or decrease shall be subject to subsequent adjustment pursuant to Section 11453.

(2) The sums specified in paragraph (1) shall not be adjusted for cost of living for the 1990–91, 1991–92, 1992–93, 1993–94, 1994–95, 1995–96, 1996–97, and 1997–98 fiscal years, and through October 31, 1998, nor shall that amount be included in the base for calculating any cost-of-living increases for any fiscal year thereafter. Elimination of the cost-of-living adjustment pursuant to this paragraph shall satisfy the requirements of Section 11453.05, and no further reduction shall be made pursuant to that section.

(b) When the family does not include a needy child qualified for aid under this chapter, aid shall be paid to a pregnant mother for the month in which the birth is anticipated and for the three-month period immediately prior to the month in which the birth is anticipated in the amount that would otherwise be paid to one person, as specified in subdivision (a), if the mother, and child, if born, would have qualified for aid under this chapter. Verification of pregnancy shall be required as a condition of eligibility for aid under this subdivision. Aid shall also be paid to a pregnant woman with no other children in the amount which would otherwise be paid to one person under subdivision (a) at any time after verification of pregnancy if the pregnant woman is also eligible for the Cal-Learn Program described in Article 3.5 (commencing with Section 11331) and if the mother, and child, if born, would have qualified for aid under this chapter.

(c) The amount of forty-seven dollars (\$47) per month shall be paid to pregnant mothers qualified for aid under subdivision (a) or (b) to meet special needs resulting from pregnancy if the mother, and child, if born,

would have qualified for aid under this chapter. County welfare departments shall refer all recipients of aid under this subdivision to a local provider of the Women, Infants and Children program. If that payment to pregnant mothers qualified for aid under subdivision (a) is considered income under federal law in the first five months of pregnancy, payments under this subdivision shall not apply to persons eligible under subdivision (a), except for the month in which birth is anticipated and for the three-month period immediately prior to the month in which delivery is anticipated, if the mother, and the child, if born, would have qualified for aid under this chapter.

(d) For children receiving AFDC-FC under this chapter, there shall be paid, exclusive of any amount considered exempt as income, an amount of aid each month which, when added to the child's income, is equal to the rate specified in Section 11460, 11461, 11462, 11462.1, or 11463. In addition, the child shall be eligible for special needs, as specified in departmental regulations.

(e) In addition to the amounts payable under subdivision (a) and Section 11453.1, a family shall be entitled to receive an allowance for recurring special needs not common to a majority of recipients. These recurring special needs shall include, but not be limited to, special diets upon the recommendation of a physician for circumstances other than pregnancy, and unusual costs of transportation, laundry, housekeeping service, telephone, and utilities. The recurring special needs allowance for each family per month shall not exceed that amount resulting from multiplying the sum of ten dollars (\$10) by the number of recipients in the family who are eligible for assistance.

(f) After a family has used all available liquid resources, both exempt and nonexempt, in excess of one hundred dollars (\$100), the family shall also be entitled to receive an allowance for nonrecurring special needs.

(1) An allowance for nonrecurring special needs shall be granted for replacement of clothing and household equipment and for emergency housing needs other than those needs addressed by paragraph (2). These needs shall be caused by sudden and unusual circumstances beyond the control of the needy family. The department shall establish the allowance for each of the nonrecurring special need items. The sum of all nonrecurring special needs provided by this subdivision shall not exceed six hundred dollars (\$600) per event.

(2) Homeless assistance is available to a homeless family seeking shelter when the family is eligible for aid under this chapter. Homeless assistance for temporary shelter is also available to homeless families which are apparently eligible for aid under this chapter. Apparent eligibility exists when evidence presented by the applicant or which is otherwise available to the county welfare department and the information provided on the application documents indicate that there would be eligibility for aid under this chapter if the evidence and information were verified. However, an alien applicant who does not provide verification of his or her eligible alien status, or a woman with no eligible children who

does not provide medical verification of pregnancy, is not apparently eligible for purposes of this section.

A family is considered homeless, for the purpose of this section, when the family lacks a fixed and regular nighttime residence; or the family has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations; or the family is residing in a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings. A family is also considered homeless for the purpose of this section if the family has received a notice to pay rent or quit. The family shall demonstrate that the eviction is the result of a verified financial hardship as a result of extraordinary circumstances beyond their control, and not other lease or rental violations, and that the family is experiencing a financial crisis that could result in homelessness if preventative assistance is not provided.

(A) (i) A nonrecurring special need of sixty-five dollars (\$65) a day shall be available to families of up to four members for the costs of temporary shelter, subject to the requirements of this paragraph. The fifth and additional members of the family shall each receive fifteen dollars (\$15) per day, up to a daily maximum of one hundred twenty-five dollars (\$125). County welfare departments may increase the daily amount available for temporary shelter as necessary to secure the additional bedspace needed by the family.

(ii) This special need shall be granted or denied immediately upon the family's application for homeless assistance, and benefits shall be available for up to three working days. The county welfare department shall verify the family's homelessness within the first three working days and if the family meets the criteria of questionable homelessness established by the department, the county welfare department shall refer the family to its early fraud prevention and detection unit, if the county has such a unit, for assistance in the verification of homelessness within this period.

(iii) After homelessness has been verified, the three-day limit shall be extended for a period of time which, when added to the initial benefits provided, does not exceed a total of 16 calendar days. This extension of benefits shall be done in increments of one week and shall be based upon searching for permanent housing which shall be documented on a housing search form; good cause; or other circumstances defined by the department. Documentation of housing search shall be required for the initial extension of benefits beyond the three-day limit and on a weekly basis thereafter as long as the family is receiving temporary shelter benefits. Good cause shall include, but is not limited to, situations in which the county welfare department has determined that the family, to the extent it is capable, has made a good faith but unsuccessful effort to secure permanent housing while receiving temporary shelter benefits.

(B) A nonrecurring special need for permanent housing assistance is available to pay for last month's rent and security deposits when these

payments are reasonable conditions of securing a residence, or to pay for up to two months of rent arrearages, when these payments are a reasonable condition of preventing eviction.

The last month's rent or monthly arrearage portion of the payment (1) shall not exceed 80 percent of the family's total monthly household income without the value of food stamps or special needs for a family of that size and (2) shall only be made to families that have found permanent housing costing no more than 80 percent of the family's total monthly household income without the value of food stamps or special needs for a family of that size.

However, if the county welfare department determines that a family intends to reside with individuals who will be sharing housing costs, the county welfare department shall, in appropriate circumstances, set aside the condition specified in clause (2) of the preceding paragraph.

(C) The nonrecurring special need for permanent housing assistance is also available to cover the standard costs of deposits for utilities which are necessary for the health and safety of the family.

(D) A payment for or denial of permanent housing assistance shall be issued no later than one working day from the time that a family presents evidence of the availability of permanent housing. If an applicant family provides evidence of the availability of permanent housing before the county welfare department has established eligibility for aid under this chapter, the county welfare department shall complete the eligibility determination so that the denial of or payment for permanent housing assistance is issued within one working day from the submission of evidence of the availability of permanent housing, unless the family has failed to provide all of the verification necessary to establish eligibility for aid under this chapter.

(E) (i) Except as provided in clauses (ii) and (iii), eligibility for the temporary shelter assistance and the permanent housing assistance pursuant to this paragraph shall be limited to one period of up to 16 consecutive calendar days of temporary assistance and one payment of permanent assistance. Any family that includes a parent or nonparent caretaker relative living in the home who has previously received temporary or permanent homeless assistance at any time on behalf of an eligible child shall not be eligible for further homeless assistance. Any person who applies for homeless assistance benefits shall be informed that the temporary shelter benefit of up to 16 consecutive days is available only once in a lifetime, with certain exceptions, and that a break in the consecutive use of the benefit constitutes permanent exhaustion of the temporary benefit.

(ii) A family that becomes homeless as a direct and primary result of a state or federally declared natural disaster shall be eligible for temporary and permanent homeless assistance.

(iii) A family shall be eligible for temporary and permanent homeless assistance when homelessness is a direct result of domestic violence by a spouse, partner, or roommate; physical or mental illness that is medically

verified that shall not include a diagnosis of alcoholism, drug addiction, or psychological stress; or, the uninhabitability of the former residence caused by sudden and unusual circumstances beyond the control of the family including natural catastrophe, fire, or condemnation. These circumstances shall be verified by a third-party governmental or private health and human services agency and homeless assistance payments based on these specific circumstances may not be received more often than once in any 12-month period. A county may require that a recipient of homeless assistance benefits who qualifies under this paragraph for a second time in a 24-month period participate in a homelessness avoidance case plan as a condition of eligibility for homeless assistance benefits.

(iv) The county welfare department shall report to the department through a statewide homeless assistance payment indicator system, necessary data, as requested by the department, regarding all recipients of aid under this paragraph.

(F) The county welfare departments, and all other entities participating in the costs of the AFDC program, have the right in their share to any refunds resulting from payment of the permanent housing. However, if an emergency requires the family to move within the 12-month period specified in subparagraph (E), the family shall be allowed to use any refunds received from its deposits to meet the costs of moving to another residence.

(G) Payments to providers for temporary shelter and permanent housing and utilities shall be made on behalf of families requesting these payments.

(H) The daily amount for the temporary shelter special need for homeless assistance may be increased if authorized by the current year's Budget Act by specifying a different daily allowance and appropriating the funds therefor.

(I) No payment shall be made pursuant to this paragraph unless the provider of housing is a commercial establishment, shelter, or person in the business of renting properties who has a history of renting properties.

(g) The department shall establish rules and regulations assuring the uniform application statewide of this subdivision.

(h) The department shall notify all applicants and recipients of aid through the standardized application form that these benefits are available and shall provide an opportunity for recipients to apply for the funds quickly and efficiently.

(i) Except for the purposes of Section 15200, the amounts payable to recipients pursuant to Section 11453.1 shall not constitute part of the payment schedule set forth in subdivision (a).

The amounts payable to recipients pursuant to Section 11453.1 shall not constitute income to recipients of aid under this section.

(j) For children receiving Kin-GAP pursuant to Article 4.5 (commencing with Section 11360) of Chapter 2, there shall be paid, exclusive of any amount considered exempt as income, an amount of aid each month, which, when added to the child's income, is equal to the rate specified in Section 11364.

SEC. 32. Section 11462 of the Welfare and Institutions Code is amended to read:

11462. (a) (1) Effective July 1, 1990, foster care providers licensed as group homes, as defined in departmental regulations, including public child care institutions, as defined in Section 11402.5, shall have rates established by classifying each group home program and applying the standardized schedule of rates. The department shall collect information from group providers beginning January 1, 1990, in order to classify each group home program.

(2) Notwithstanding paragraph (1), foster care providers licensed as group homes shall have rates established only if the group home is organized and operated on a nonprofit basis as required under subdivision (h) of Section 11400. The department shall terminate the rate effective January 1, 1993, of any group home not organized and operated on a nonprofit basis as required under subdivision (h) of Section 11400.

(3) (A) The department shall determine, consistent with the requirements of this chapter and other relevant requirements under law, the rate classification level (RCL) for each group home program on a biennial basis. Submission of the biennial rate application shall be made according to a schedule determined by the department.

(B) The department shall adopt regulations to implement this paragraph. The adoption, amendment, repeal, or readoption of a regulation authorized by this paragraph is deemed to be necessary for the immediate preservation of the public peace, health and safety, or general welfare, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted from the requirement to describe specific facts showing the need for immediate action.

(b) A group home program shall be initially classified, for purposes of emergency regulations, according to the level of care and services to be provided using a point system developed by the department and described in the report, "The Classification of Group Home Programs under the Standardized Schedule of Rates System," prepared by the State Department of Social Services, August 30, 1989.

(c) The rate for each RCL has been determined by the department with data from the AFDC-FC Group Home Rate Classification Pilot Study. The rates effective July 1, 1990, were developed using 1985 calendar year costs and reflect adjustments to the costs for each fiscal year, starting with the 1986–87 fiscal year, by the amount of the California Necessities Index computed pursuant to the methodology described in Section 11453. The data obtained by the department using 1985 calendar year costs shall be updated and revised by January 1, 1993.

(d) As used in this section, "standardized schedule of rates" means a listing of the 14 rate classification levels, and the single rate established for each RCL.

(e) Except as specified in paragraph (1), the department shall determine the RCL for each group home program on a prospective basis, according to the level of care and services that the group home operator projects will

be provided during the period of time for which the rate is being established.

(1) (A) For new and existing providers requesting the establishment of an RCL, and for existing group home programs requesting an RCL increase, the department shall determine the RCL no later than 13 months after the effective date of the provisional rate. The determination of the RCL shall be based on a program audit of documentation and other information that verifies the level of care and supervision provided by the group home program during a period of the two full calendar months or 60 consecutive days, whichever is longer, preceding the date of the program audit, unless the group home program requests a lower RCL. The program audit shall not cover the first six months of operation under the provisional rate. Pending the department's issuance of the program audit report that determines the RCL for the group home program, the group home program shall be eligible to receive a provisional rate that shall be based on the level of care and service that the group home program proposes it will provide. The group home program shall be eligible to receive only the RCL determined by the department during the pendency of any appeal of the department's RCL determination.

(B) A group home program may apply for an increase in its RCL no earlier than two years from the date the department has determined the group home program's rate, unless the host county, the primary placing county, or a regional consortium of counties submits to the department in writing that the program is needed in that county, that the provider is capable of effectively and efficiently operating the proposed program, and that the provider is willing and able to accept AFDC-FC children for placement who are determined by the placing agency to need the level of care and services that will be provided by the program.

(C) To ensure efficient administration of the department's audit responsibilities, and to avoid the fraudulent creation of records, group home programs shall make records that are relevant to the RCL determination available to the department in a timely manner. Except as provided in this section, the department may refuse to consider, for purposes of determining the rate, any documents that are relevant to the determination of the RCL that are not made available by the group home provider by the date the group home provider requests a hearing on the department's RCL determination. The department may refuse to consider, for purposes of determining the rate, the following records, unless the group home provider makes the records available to the department during the fieldwork portion of the department's program audit:

(i) Records of each employee's full name, home address, occupation, and social security number.

(ii) Time records showing when the employee begins and ends each work period, meal periods, split shift intervals, and total daily hours worked.

(iii) Total wages paid each payroll period.

(iv) Records required to be maintained by licensed group home providers under Title 22 of the California Code of Regulations that are relevant to the RCL determination.

(D) To minimize financial abuse in the startup of group home programs, when the department's RCL determination is more than three levels lower than the RCL level proposed by the group home provider, and the group home provider does not appeal the department's RCL determination, the department shall terminate the rate of a group home program 45 days after issuance of its program audit report. When the group home provider requests a hearing on the department's RCL determination, and the RCL determined by the director under subparagraph (E) is more than three levels lower than the RCL level proposed by the group home provider, the department shall terminate the rate of a group home program within 30 days of issuance of the director's decision. Notwithstanding the reapplication provisions in subparagraph (B), the department shall deny any request for a new or increased RCL from a group home provider whose RCL is terminated pursuant to this subparagraph, for a period of no greater than two years from the effective date of the RCL termination.

(E) A group home provider may request a hearing of the department's RCL determination under subparagraph (A) no later than 30 days after the date the department issues its RCL determination. The department's RCL determination shall be final if the group home provider does not request a hearing within the prescribed time. Within 60 days of receipt of the request for hearing, the department shall conduct a hearing on the RCL determination. The standard of proof shall be the preponderance of the evidence and the burden of proof shall be on the department. The hearing officer shall issue the proposed decision within 45 days of the close of the evidentiary record. The director shall adopt, reject, or modify the proposed decision, or refer the matter back to the hearing officer for additional evidence or findings within 100 days of issuance of the proposed decision. If the director takes no action on the proposed decision within the prescribed time, the proposed decision shall take effect by operation of law.

(2) Group home programs that fail to maintain at least the level of care and services associated with the RCL upon which their rate was established shall inform the department. The department shall develop regulations specifying procedures to be applied when a group home fails to maintain the level of services projected, including, but not limited to, rate reduction and recovery of overpayments.

(3) The department shall not reduce the rate, establish an overpayment, or take other actions pursuant to paragraph (2) for any period that a group home program maintains the level of care and services associated with the RCL for children actually residing in the facility. Determinations of levels of care and services shall be made in the same way as modifications of overpayments are made pursuant to paragraph (2) of subdivision (b) of Section 11466.2.

(4) A group home program that substantially changes its staffing pattern from that reported in the group home program statement shall provide notification of this change to all counties that have placed children currently in care. This notification shall be provided whether or not the RCL for the program may change as a result of the change in staffing pattern.

(f) (1) The standardized schedule of rates for the 2002–03, 2003–04, 2004–05, 2005–06, and 2006–07 fiscal years is:

Rate Classification Level	Point Ranges	FY 2002-03, 2003-04, 2004-05, 2005-06, and 2006-07 Standard Rate
1	Under 60	\$1,454
2	60- 89	1,835
3	90-119	2,210
4	120-149	2,589
5	150-179	2,966
6	180-209	3,344
7	210-239	3,723
8	240-269	4,102
9	270-299	4,479
10	300-329	4,858
11	330-359	5,234
12	360-389	5,613
13	390-419	5,994
14	420 & Up	6,371

(2) (A) For group home programs that receive AFDC-FC payments for services performed during the 2002–03, 2003–04, 2004–05, 2005–06, and 2006–07 fiscal years, the adjusted RCL point ranges below shall be used for establishing the biennial rates for existing programs, pursuant to paragraph (3) of subdivision (a) and in performing program audits and in determining any resulting rate reduction, overpayment assessment, or other actions pursuant to paragraph (2) of subdivision (e):

Rate Classification Level	Adjusted Point Ranges for the 2002-03, 2003-04, 2004-05, 2005-06, and 2006-07 Fiscal Years
1	Under 54
2	54- 81
3	82-110
4	111-138
5	139-167
6	168-195
7	196-224

8	225-253
9	254-281
10	282-310
11	311-338
12	339-367
13	368-395
14	396 & Up

(B) Notwithstanding subparagraph (A), foster care providers operating group homes during the 2002–03, 2003–04, 2004–05, 2005–06, and 2006–07 fiscal years shall remain responsible for ensuring the health and safety of the children placed in their programs in accordance with existing applicable provisions of the Health and Safety Code and community care licensing regulations, as contained in Title 22 of the Code of California Regulations.

(C) Subparagraph (A) shall not apply to program audits of group home programs with provisional rates established pursuant to paragraph (1) of subdivision (e). For those program audits, the RCL point ranges in paragraph (1) shall be used.

(g) (1) (A) For the 1999–2000 fiscal year, the standardized rate for each RCL shall be adjusted by an amount equal to the California Necessities Index computed pursuant to the methodology described in Section 11453. The resultant amounts shall constitute the new standardized schedule of rates, subject to further adjustment pursuant to subparagraph (B).

(B) In addition to the adjustment in subparagraph (A), commencing January 1, 2000, the standardized rate for each RCL shall be increased by 2.36 percent, rounded to the nearest dollar. The resultant amounts shall constitute the new standardized schedule of rates.

(2) Beginning with the 2000–01 fiscal year, the standardized schedule of rates shall be adjusted annually by an amount equal to the CNI computed pursuant to Section 11453, subject to the availability of funds. The resultant amounts shall constitute the new standardized schedule of rates.

(3) Effective January 1, 2001, the amount included in the standard rate for each Rate Classification Level (RCL) for the salaries, wages, and benefits for staff providing child care and supervision or performing social work activities, or both, shall be increased by 10 percent. This additional funding shall be used by group home programs solely to supplement staffing, salaries, wages, and benefit levels of staff specified in this paragraph. The standard rate for each RCL shall be recomputed using this adjusted amount and the resultant rates shall constitute the new standardized schedule of rates. The department may require a group home receiving this additional funding to certify that the funding was utilized in accordance with the provisions of this section.

(h) The standardized schedule of rates pursuant to subdivisions (f) and (g) shall be implemented as follows:

(1) Any group home program that received an AFDC-FC rate in the prior fiscal year at or above the standard rate for the RCL in the current fiscal year shall continue to receive that rate.

(2) Any group home program that received an AFDC-FC rate in the prior fiscal year below the standard rate for the RCL in the current fiscal year shall receive the RCL rate for the current year.

(i) (1) The department shall not establish a rate for a new program of a new or existing provider, or for an existing program at a new location of an existing provider, unless the provider submits a letter of recommendation from the host county, the primary placing county, or a regional consortium of counties that includes all of the following:

(A) That the program is needed by that county.

(B) That the provider is capable of effectively and efficiently operating the program.

(C) That the provider is willing and able to accept AFDC-FC children for placement who are determined by the placing agency to need the level of care and services that will be provided by the program.

(D) That, if the letter of recommendation is not being issued by the host county, the primary placing county has notified the host county of its intention to issue the letter and the host county was given the opportunity 30 days to respond to this notification and to discuss options with the primary placing county.

(2) The department shall encourage the establishment of consortia of county placing agencies on a regional basis for the purpose of making decisions and recommendations about the need for, and use of, group home programs and other foster care providers within the regions.

(3) The department shall annually conduct a county-by-county survey to determine the unmet placement needs of children placed pursuant to Section 300 and Section 601 or 602, and shall publish its findings by November 1 of each year.

(j) The department shall develop regulations specifying ratesetting procedures for program expansions, reductions, or modifications, including increases or decreases in licensed capacity, or increases or decreases in level of care or services.

(k) (1) For the purpose of this subdivision, “program change” means any alteration to an existing group home program planned by a provider that will increase the RCL or AFDC-FC rate. An increase in the licensed capacity or other alteration to an existing group home program that does not increase the RCL or AFDC-FC rate shall not constitute a program change.

(2) For the 1998–99, 1999–2000, and 2000–01 fiscal years, the rate for a group home program shall not increase, as the result of a program change, from the rate established for the program effective July 1, 2000, and as adjusted pursuant to subparagraph (B) of paragraph (1) of subdivision (g), except as provided in paragraph (3).

(3) (A) For the 1998–99, 1999–2000, and 2000–01 fiscal years, the department shall not establish a rate for a new program of a new or

existing provider or approve a program change for an existing provider that either increases the program's RCL or AFDC-FC rate, or increases the licensed capacity of the program as a result of decreases in another program with a lower RCL or lower AFDC-FC rate that is operated by that provider, unless both of the following conditions are met:

(i) The licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program.

(ii) The county determines that there is no increased cost to the General Fund.

(B) Notwithstanding subparagraph (A), the department may grant a request for a new program or program change, not to exceed 25 beds, statewide, if both of the following conditions are met:

(i) The licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program.

(ii) The department determines that the new program or program change will result in a reduction of referrals to state hospitals during the 1998–99 fiscal year.

(l) General unrestricted or undesignated private charitable donations and contributions made to charitable or nonprofit organizations shall not be deducted from the cost of providing services pursuant to this section. The donations and contributions shall not be considered in any determination of maximum expenditures made by the department.

(m) The department shall, by October 1 of each year, commencing October 1, 1992, provide the Joint Legislative Budget Committee with a list of any new departmental requirements established during the previous fiscal year concerning the operation of group homes, and of any unusual, industrywide increase in costs associated with the provision of group care that may have significant fiscal impact on providers of group homes care. The committee may, in fiscal year 1993–94 and beyond, use the list to determine whether an appropriation for rate adjustments is needed in the subsequent fiscal year.

SEC. 32.1. Section 11466.21 of the Welfare and Institutions Code is amended to read:

11466.21. (a) In accordance with subdivision (b), as a condition to receive an AFDC-FC rate for a group home program or a foster family agency program that provides treatment services, the following shall apply:

(1) Any provider who receives in combined federal funds an amount at or above the federal funding threshold in accordance with the federal Single Audit Act, as amended, and Office of Management and Budget (OMB) Circular A-133, shall arrange to have a financial audit conducted on an annual basis, and shall submit the annual financial audit to the department in accordance with regulations adopted by the department.

(2) Any provider who receives in combined federal funds an amount below the federal funding threshold in accordance with the federal Single

Audit Act, as amended, and Office of Management and Budget (OMB) Circular A-133, shall submit to the department a financial audit on its most recent fiscal period at least once every three years. The department shall provide timely notice to the providers of the date that submission of the financial audit is required. That date of submission of the financial audit shall be established in accordance with regulations adopted by the department.

(3) The scope of the financial audit shall include all of the programs and activities operated by the provider and shall not be limited to those funded in whole or in part by the AFDC-FC program. The financial audits shall include, but not be limited to, an evaluation of the accounting and control systems of the provider.

(4) The provider shall have its financial audit conducted by certified public accountants or by state-licensed public accountants who have no direct or indirect relationship with the functions or activities being audited, or with the provider, its board of directors, officers, or staff.

(5) The provider shall have its financial audits conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States and in compliance with generally accepted accounting principles applicable to private entities organized and operated on a nonprofit basis.

(6) (A) Each provider shall have the flexibility to define the calendar months included in its fiscal year.

(B) A provider may change the definition of its fiscal year. However, the financial audit conducted following the change shall cover all of the months since the last audit, even though this may cover a period that exceeds 12 months.

(b) (1) In accordance with subdivision (a), as a condition to receive an AFDC-FC rate that becomes effective on or after July 1, 2000, a provider shall submit a copy of its most recent financial audit report, except as provided in paragraph (3).

(2) The department shall terminate the rate of a provider who fails to submit a copy of its most recent financial audit pursuant to subdivision (a). A terminated rate shall only be reinstated upon the provider's submission of an acceptable financial audit.

(3) Effective July 1, 2000, a new provider that has been incorporated for fewer than 12 calendar months shall not be required to submit a copy of a financial audit to receive an AFDC-FC rate for a new program. The financial audit shall be conducted on the provider's next full fiscal year of operation. The provider shall submit the financial audit to the department in accordance with subdivision (a).

(c) The department shall implement this section through the adoption of emergency regulations.

SEC. 33. Section 12201.03 of the Welfare and Institutions Code is amended to read:

12201.03. (a) For the 1992, 1993, 1994, 1995, 1996, 1997, and 1998 calendar years, or for the period of January 1, 2003, to May 31, 2003,

inclusive, if no cost-of-living adjustment is made pursuant to Section 12201, the payment schedules set forth in Sections 12200, 13920, and 13921, as adjusted pursuant to Section 12201, shall include the pass along of any cost-of-living increases in federal benefits under Subchapter 16 (commencing with Section 1381) of Chapter 7 of Title 42 of the United States Code.

(b) Notwithstanding paragraph (2) of subdivision (d) of Section 12201, any adjustments made pursuant to this section to reflect the pass along of federal cost-of-living adjustments shall be included in the base amounts for purposes of determining cost-of-living adjustments made pursuant to Section 12201.

(c) Notwithstanding subdivision (a), no pass along of any cost-of-living increase in federal benefits under Subchapter 16 (commencing with Section 1381) of Chapter 7 of Title 42 of the United States Code shall be made in 1994. This provision shall not apply to those persons receiving payments pursuant to subdivisions (e), (g), and (h) of Section 12200.

(d) Notwithstanding subdivision (a), in no event shall the payment schedules be reduced below the level required by the federal Social Security Act in order to maintain eligibility for federal funding under Title XIX of the federal Social Security Act, contained in Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

(e) Notwithstanding subdivisions (a) and (c), for the 2006 calendar year, the pass along of any cost-of-living increase in federal benefits under Subchapter 16 (commencing with Section 1381) of Chapter 7 of Title 42 of the United States Code shall not become effective until April 1, 2006. This subdivision shall not apply to those persons receiving payments pursuant to subdivisions (e), (g), and (h) of Section 12200.

SEC. 34. Section 12201.05 of the Welfare and Institutions Code is amended to read:

12201.05. (a) Commencing with the 2004 calendar year, and thereafter, in any calendar year in which no cost-of-living adjustment is made pursuant to Section 12201, the payment schedules set forth in Sections 12200, 13920, and 13921, as adjusted pursuant to Section 12201, shall include the pass along of any cost-of-living increases in federal benefits under Subchapter 16 (commencing with Section 1381) of Chapter 7 of Title 42 of the United States Code, except that for the 2006 calendar year, the federal pass along shall not become effective until April 1, 2006. This delay shall not apply to those persons receiving payments pursuant to subdivisions (e), (g), and (h) of Section 12200.

(b) Notwithstanding paragraph (2) of subdivision (d) of Section 12201, any adjustments made pursuant to this section to reflect the pass-along of federal cost-of-living adjustments shall be included in the base amounts for purposes of determining cost-of-living adjustments made pursuant to Section 12201.

SEC. 35. Section 12304.4 of the Welfare and Institutions Code is amended to read:

12304.4. (a) The department shall establish a program of direct deposit by electronic transfer for payments to in-home supportive services providers. A provider may choose to receive payments via direct deposit at his or her option. The State Department of Social Services, the Controller, and the California Health and Human Services Agency shall make all necessary automation changes to allow for payment by direct deposit.

(b) Notwithstanding any other provision of law, a person entitled to the receipt of direct payment as an individual provider pursuant to Section 12302.2 for providing in-home supportive services may authorize payment to be directly deposited by electronic fund transfer into the person's account at the financial institution of his or her choice under a program for direct deposit by electronic transfer established by the department.

SEC. 36. Section 14124.93 of the Welfare and Institutions Code is amended to read:

14124.93. (a) The Department of Child Support Services shall provide payments to the local child support agency of fifty dollars (\$50) per case for obtaining third-party health coverage or insurance of beneficiaries, to the extent that funds are appropriated in the annual Budget Act.

(b) A county shall be eligible for a payment if the county obtains third-party health coverage or insurance for applicants or recipients of Title IV-D services not previously covered, or for whom coverage has lapsed, and the county provides all required information on a form approved by both the Department of Child Support Services and the State Department of Health Services.

(c) Payments to the local child support agency under this section shall be suspended for the 2003–04, 2004–05, 2005–06, and 2006–07 fiscal years.

SEC. 37. Section 15204.6 of the Welfare and Institutions Code is amended to read:

15204.6. (a) Contingent upon a Budget Act appropriation, a Pay for Performance Program shall provide additional funding for counties that meet the standards developed according to subdivision (c) in their welfare-to-work programs under Article 3.2 (commencing with Section 11320) of Chapter 2. The state shall have no obligation to pay incentives earned that exceed the funds appropriated for the year in which the incentives were earned.

(b) To the extent that funds are appropriated, the maximum total funds available to each county each year under the Pay for Performance Program shall be 5 percent of the funds the county receives that year, less the amount for child care, from the single allocation under Section 15204.2. If funds appropriated for this section are less than the incentives earned under this subdivision, each county's allocation under this section shall be prorated based on the amount of funds appropriated for that year.

(c) The funds available to each county under the Pay for Performance Program shall be divided each year into as many equal parts as there are measures established for the year under this subdivision. A county shall earn payment of one equal part for each improvement standard that it

achieves for the year or by ranking in the top 20 percent of all counties in a measure identified in paragraphs (1), (2), (3), and (4). The department shall consult with the County Welfare Directors Association, legislative staff, and other stakeholders, when developing improvement standards and the methodology for earning and distributing incentives for each of the following measures:

(1) The employment rate of county CalWORKs cases.

(2) The federal participation rates of county CalWORKs cases, calculated in accordance with Section 607 of Title 42 of the United States Code, but excluding individuals who are exempt in accordance with Section 11320.3 and including sanctioned cases and cases participating in activities described in subdivision (q) of Section 11322.6. If valid data does not exist to measure this outcome, the funds for this measure shall be made available for the Pay for Performance Program in the following fiscal year.

(3) The percentage of county CalWORKs cases that have earned income three months after ceasing to receive assistance under Section 11450.

(4) Any additional measures that the department may establish in consultation with the County Welfare Directors Association, legislative staff, and other stakeholders.

(d) Performance measures, standards, outcomes, and payments to counties under subdivisions (a), (b), and (c) shall be based on the following schedule:

(1) For the performance measure described in paragraph (2) of subdivision (c), payments in fiscal year 2007–08 shall be based on outcomes for the period of July 1, 2006, through December 31, 2006, compared to outcomes for the period of January 1, 2007, through June 30, 2007, and payments in each subsequent fiscal year shall be based on outcomes for the fiscal year prior to payment, compared to outcomes for the fiscal year two years prior to payment.

(2) For all other performance measures, payments shall be based on outcomes for the fiscal year prior to payment, compared to outcomes for the fiscal year two years prior to payment.

(e) The department may make further adjustments to any of the performance measures listed under subdivision (c), in consultation with the County Welfare Directors Association, legislative staff, and other stakeholders.

(f) The funds paid in accordance with this section may only be used in accordance with subdivisions (f) and (g) of Section 10544.1 and only for the purpose of enhancing family self-sufficiency. Funds earned by a county in accordance with this section shall be available for expenditure in the fiscal year that they are received and the following two fiscal years. Following the period of availability, and notwithstanding any provisions of subdivision (f) of Section 10544.1 to the contrary, any unspent balance shall revert to the Temporary Assistance for Needy Families (TANF) block grant.

(g) Any funds appropriated by the Legislature for the Pay for Performance Program, but not earned by a county, shall revert to the TANF block grant at the end of the fiscal year for which the funds were appropriated.

(h) The department shall periodically publish the outcomes measured by the Pay for Performance Program, identified by county.

(i) Notwithstanding the rulemaking provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement this section through all-county letters throughout the duration of the Pay for Performance Program.

SEC. 37.1. Section 16124 is added to the Welfare and Institutions Code, to read:

16124. (a) (1) Upon the appropriation of funds by the Legislature for the purposes set forth in this section, the State Department of Social Services shall establish a project in four counties and one state district office of the department to provide preadoption and postadoption services to ensure the successful adoption of children and youth who have been in foster care 18 months or more, are at least nine years of age, and are placed in an unrelated foster home or in a group home.

(2) The participating entities shall include the following:

(A) City and County of San Francisco.

(B) County of Los Angeles.

(C) Two additional counties and one state district office, based on criteria developed by the department in consultation with the County Welfare Directors Association, which shall demonstrate geographic diversity.

(3) A county that elects to apply for funding pursuant to this section shall submit an application to the department no later than a date determined by the department to ensure timely allocation of funds. The department shall review the applications received, and select the eligible counties in accordance with this section.

(b) Each entity identified pursuant to paragraph (2) of subdivision (a) shall receive funding to provide preadoption and postadoption services to the adoptive parents and the targeted population identified in paragraph (1) of subdivision (a).

(1) Preadoption and postadoption services for the child and each family may include, but shall not be limited to, all of the following:

(A) Individualized or other recruitment efforts.

(B) Postadoption services, including respite care.

(C) Behavioral health services.

(D) Peer support groups.

(E) Information and referral services.

(F) Other locally designed services, as appropriate.

(G) Relative search efforts.

(H) Training of adoptive parents, foster youth, or mentoring families.

(I) Mediation services.

(J) Facilitation of siblings in the same placement.

(K) Facilitation of postadoption contact.

(L) Engaging youth in permanency decisionmaking.

(M) Any service or support necessary to resolve any identified barrier to adoption.

(2) The services specified in paragraph (1) may be provided directly by the county, contracted for by the county, or provided through reimbursement to the family, as approved by the county.

(c) The amount of funding provided in the appropriation of funds provided by the annual Budget Act to each county participating in the project shall be allocated as follows:

(1) Seven hundred fifty thousand dollars (\$750,000) to the City and County of San Francisco.

(2) One million two hundred fifty thousand dollars (\$1,250,000) to the County of Los Angeles.

(3) A total of two million dollars (\$2,000,000), to be awarded to the two additional counties and the district office selected pursuant to subparagraph (C) of paragraph (3) of subdivision (a), minus any funds subtracted by the department for the purpose of administering the project. The amount of funds provided to the department for administration of the project, including the costs of collecting and analyzing data pursuant to subdivision (h) and developing the information pursuant to subdivision (i), shall not exceed three hundred thousand dollars (\$300,000).

(4) If the appropriated amount in the annual Budget Act differs from the total amount specified above, then the funds shall be distributed in the same proportion as the amounts listed in paragraphs (1) to (3), inclusive.

(d) Funds shall be allocated to the counties pursuant to subdivision (c) no later than January 1 of each year, and shall remain available for expenditure for three years.

(e) (1) The department shall seek approval for any federal matching funds that may be available to supplement the project.

(2) The implementation of the project shall not be dependent upon the receipt of federal funding.

(3) Project funds shall supplement, and not supplant, existing federal, state, and local funds, and shall be used only in accordance with the terms and conditions of the project.

(4) No expenditure made for services specified in subdivision (b) may be made to the extent that it renders the family ineligible for federal adoption assistance.

(f) The project shall be implemented only upon the adoption of a resolution adopted by each county board of supervisors.

(g) The department shall work with the counties to develop the requirements for the project, including the number of families that may participate in the project, given the available resources, and guidelines for data collection, as required by subdivision (h).

(h) (1) The department shall work with the participating county and the state district office to analyze the effects of the project.

(2) Measures assessed by the state and counties shall include, but shall not be limited to, the following:

(A) The extent to which the adoptions of the targeted population identified in paragraph (1) of subdivision (a) increased as a result of the project.

(B) The number of families and children served by the project.

(C) The type and amount of preadoption and postadoption services that were provided to children and families under the project.

(i) The department shall provide information to the Legislature on the results of the project by November 30, 2010.

(j) Adoption programs in the project counties shall be encouraged to create public-private partnerships with private adoption agencies to maximize their success in improving permanent outcomes for older foster youth.

SEC. 38. Section 16605 of the Welfare and Institutions Code is amended to read:

16605. (a) The department shall, subject to the availability of funds appropriated therefor, conduct a Kinship Support Services Program that is a grants-in-aid program providing startup and expansion funds for local kinship support services programs that provide community-based family support services to relative caregivers and the children placed in their homes by the juvenile court or who are at risk of dependency or delinquency. Relatives with children in voluntary placements may access services, at the discretion of the county.

(b) The Kinship Support Services Program shall create a public-private partnership. A combination of federal, state, county, and private sector resources shall finance the establishment and ongoing operation of the program.

(c) The counties that elect to participate in the program shall meet the following conditions and requirements:

(1) Have a demonstrated capacity for collaboration and interagency coordination.

(2) Have a viable plan for ongoing financial support of the local kinship support services program.

(3) Utilize relative caregivers as employees of the program.

(4) Have strong and viable public or private agencies to operate the program.

(5) Provide to the department the number of relative caretakers residing in the county, and the projected number of relative caretakers to be served.

(6) Describe how the county will develop and maintain the necessary community supports.

(7) Outline the county's outcome improvement goals for the program. These goals shall include, but shall not be limited to, moving children out of foster care and into the Kinship Guardian Assistance Payment Program (Kin-GAP), Kin-GAP Plus or adoption, placement stability, and preventing children from entering foster care. The county shall also agree

to measure and report data regarding the Kinship Support Services Program, as required by the department.

(d) The Kinship Support Services Program shall demonstrate the use of supportive services provided to relative caregivers and children placed in their homes using a community-based kinship support services model. This model shall provide services to relative caregivers that are aimed at helping to ensure permanent family kinship placements for children who have been placed with them by the juvenile court, and to provide family support services that will eliminate the need for juvenile court jurisdiction and the provision of services by the county welfare department.

(e) The program shall provide family support services appropriate for the target populations. These services may include, but are not limited to, the following:

- (1) Assessment and case management.
- (2) Social services referral and intervention aimed at maintaining the kinship family unit, for example, housing, homemaker services, respite care, legal services, and day care.
- (3) Transportation for medical care and educational and recreational activities.
- (4) Information and referral services.
- (5) Individual and group counseling in the area of parent-child relationships and group conflict.
- (6) Counseling and referral services aimed at promoting permanency, including kinship adoption and guardianship.
- (7) Tutoring and mentoring.

(f) The Edgewood Center for Children and Families in San Francisco or any other appropriate agency or individual approved by the department in consultation with the Statewide Kinship Advisory Committee shall provide technical assistance to the Kinship Support Services Program and shall facilitate the sharing of information and resources among the local programs.

SEC. 38.1. Chapter 4.5 (commencing with Section 18260) is added to Part 6 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 4.5. CHILD WELFARE WAIVER DEMONSTRATION PROJECT

18260. (a) The department may conduct a demonstration project in up to 20 counties, to allow flexible use of federal and state foster care funds by utilizing a federal capped allocation model over a five-year period, based on the terms and conditions of the federal Title IV-E waiver. Participation shall be at the option of each county, subject to state approval, provided that each county has entered into a memorandum of understanding (MOU) with the department, as described in subdivision (c). The department shall not be required to conduct any demonstration projects under this section if no county elects to participate. It is the intent of the Legislature that this project will improve outcomes or safety for

children, and that the state shall provide immediate assistance, as needed, if the department finds that children's health, safety, or well-being has declined, or is at risk of declining, as a result of a county's participation in the project.

(b) The department is authorized to conduct the demonstration project in order to provide participating counties with flexibility in their use of state and federal foster care maintenance and administrative funds that were previously restricted to payment for the care and supervision of children in out-of-home placements and administrative expenditures. Any county, state, or federal savings in the foster care program that occur as a result of the demonstration project will be reinvested by the counties in child welfare services program improvements. These foster care savings will support the counties in developing a broader and more responsive array of services that will contribute to improved outcomes for children and families.

(c) The department shall work with county welfare directors and other stakeholders to develop the terms and conditions of the MOU. The MOU shall incorporate the terms and conditions of the federal approval of the use of federal funds for the demonstration project, additional conditions as described in this section, and provisions deemed by the department and counties as reasonably necessary to fulfill the purpose of the demonstration project and to ensure compliance with its conditions and with this section. Provisions of the MOU shall include, but shall not be limited to, all of the following:

(1) The MOU shall specify the time periods for the county's participation in the demonstration project, and shall set forth procedures for the county to opt out of participation in the demonstration project. A county electing to opt out of the demonstration project shall provide written notice to the department of its intent to do so in accordance with the MOU.

(2) The county is responsible for ensuring that adequate funds are available to protect children at risk of abuse and neglect, by out-of-home placement or otherwise, until funds are appropriated to the county through the Budget Act, including provisional language in the Budget Act that authorizes midyear funding adjustments, for this purpose.

(3) The MOU shall specify the allocation methodology for the capped amount of federal funds that will be allocated to the county for the demonstration project, as well as the county's share of cost.

(4) The MOU shall specify the methodology for the provision of state General Fund resources that a county shall receive under the waiver and the liability for the county and the state for costs in excess of the capped federal amount.

(d) The county and state share-of-costs for the demonstration project shall be determined notwithstanding Sections 15200 and 10100.

SEC. 39. Division 26 (commencing with Section 25200) is added to the Welfare and Institutions Code, to read:

DIVISION 26. NATURALIZATION SERVICES PROGRAM

25200. (a) The Naturalization Services Program is hereby established in, and shall be administered by, the Department of Community Services and Development in the California Health and Human Services Agency.

(b) The department shall administer the program to provide funding to community-based organizations to assist legal permanent residents in obtaining citizenship.

(c) This division shall be implemented only to the extent that funds are appropriated for its purposes in the annual Budget Act or another statute.

SEC. 40. (a) It is the intent of the Legislature that the State Department of Social Services prepare and submit to the Legislature a Master Plan for CalWORKs data by April 1, 2007, which shall be developed by the department in consultation with Legislative staff, the County Welfare Directors Association, and other state departments and stakeholders.

(b) The master plan shall include, but not be limited to, the following four elements:

(1) An assessment of the state's data needs in light of the CalWORKs program goals. Program goals include outcomes related to work participation, poverty status, and child well-being.

(2) An outline for a new participation report that includes, but would not be limited to, the number of hours of participation, how many recipients are meeting the state CalWORKs and federal participation requirements, the types of activities in which recipients participate, and how many recipients use different support services.

(3) Guidelines, requirements, timeframes, and cost estimates for county automation improvements to collect participation data that is consistent with the master plan.

(4) A plan for longitudinal data reports, which identifies how the participation of cohorts of recipients changes over specified time periods, consistent with the requirements of paragraph (1) of subdivision (b) of Section 11525 of the Welfare and Institutions Code.

SEC. 41. The State Department of Alcohol and Drug Programs shall submit a methamphetamine prevention plan to the Legislature by April 1, 2007. The plan shall evaluate whether existing state or federal resources for substance abuse prevention activities can be redirected to methamphetamine prevention. The plan shall identify potential targeted audiences for prevention, suggest messages for prevention, and consider strategies for using media, community involvement, and public relations to reach the targeted audience. The department shall also report on recent trends in methamphetamine use and how the prevention strategy will help reduce the use of methamphetamine statewide. The department shall report on its efforts at budget hearings in 2007 and 2008.

SEC. 42. The Legislature finds and declares that Section 11999.6.1 of the Health and Safety Code, as added by Section 23.1 of this act, furthers,

and is consistent with the purposes of, the Substance Abuse and Crime Prevention Act of 2000.

SEC. 43. (a) Notwithstanding the rulemaking provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, until emergency regulations are filed with the Secretary of State, the State Department of Social Services may implement the changes made to the Welfare and Institutions Code by Sections 27.2, 27.3, 27.6, 27.7, 28, 29.01, 29.2, 29.3, 29.32, 29.5, 31.1, 31.2, 35, 37.1, 38, and 38.1 of this act through all-county letters or similar instructions from the director. The department shall adopt emergency regulations, as necessary to implement those amendments no later than July 1, 2008.

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

SEC. 44. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 45. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 46. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make necessary statutory changes to implement the Budget Act of 2006 at the earliest possible time, it is necessary that this act take effect immediately.