



Follow-Up— California Department of Social Services

Although Making Progress, It Could Do More to
Ensure the Protection and Appropriate Placement
of Foster Children

Report 2015-502

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July 2, 2015

2015-502

The Governor of California
President pro Tempore of the Senate
Speaker of the Assembly
State Capitol
Sacramento, California 95814

Dear Governor and Legislative Leaders:

This report presents the results of a follow-up audit the California State Auditor (state auditor) conducted concerning the efforts by the California Department of Social Services (Social Services) to implement recommendations from an audit report that we issued in October 2011. The state auditor's report titled *Child Welfare Services: California Can and Must Provide Better Protection and Support for Abused and Neglected Children*, Report 2011-101.1, examined how well Social Services oversees the counties' efforts to protect California children from abuse and neglect. For this audit, we focused on two areas on which we previously reported: comparisons of registered sex offender addresses with licensed facilities and foster home addresses and foster family agency placements.

Although Social Services has implemented our recommendation to conduct regular address comparisons using the California Department of Justice's California Sex and Arson Registry and its Licensing Information System and Child Welfare Services/Case Management System, it needs to better account for the address matches it identifies and better document its review procedures. For example, Social Services has not adequately tracked the outcome of each match it identified, which raises concerns that some address matches were not appropriately investigated. In fact, Social Services was unable to initially account for the results of more than 8,600 address matches. Further, Social Services has not adequately documented its review procedures, including a description of the reasons why certain identified address matches can be safely removed from further follow-up.

Our 2011 audit report also made recommendations to address counties' increased reliance on foster family agencies—typically private nonprofit organizations that recruit and certify foster homes, and that are more expensive than placements with relatives or with foster homes licensed by Social Services or counties. This follow-up audit found that Social Services has not addressed our recommendations to ensure it has reasonable support for each component of the monthly rates paid to foster family agencies, to revise its regulations so that licensed foster family homes have higher priority than foster family agencies for children without elevated treatment needs, and to require counties to provide a justification for any child placed with a foster family agency. Social Services explained that it is currently in the process of a reform effort, and also anticipates pending legislation, which it asserts will both address our recommendations and will require Social Services to dramatically revise its current services, programs, and rate-setting system. Social Services indicates that implementing changes of this magnitude statewide will require significant time and resources and, therefore, it will be a minimum of two years before it will be able to address our recommendations related to foster family agencies.

Respectfully submitted,



ELAINE M. HOWLE, CPA
State Auditor

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Summary

Results in Brief

The California Department of Social Services (Social Services) oversees the efforts of counties to protect California children from abuse and neglect. When these agencies determine that children's safety is at risk, they have the authority to remove them from their homes and place them with relatives, foster parents, or group homes. Social Services is taking steps to improve its oversight of these placements, but it needs to take more action to resolve deficiencies we identified in the past. In October 2011 the California State Auditor issued a report titled *Child Welfare Services: California Can and Must Provide Better Protection and Support for Abused and Neglected Children*, Report 2011-101.1. The 2011 audit report included a recommendation to improve the safety of foster children by creating an address comparison process to ensure that registered sex offenders are not living or working among them. Furthermore, the 2011 audit made several recommendations to address counties' increased reliance on foster family agencies—typically private nonprofit organizations that recruit and certify foster homes, and that are more expensive than placements with relatives or with foster homes licensed by Social Services or counties.

Social Services' progress in implementing our 2011 recommendations has been mixed. This follow-up audit found that, although Social Services implemented our recommendation to conduct regular address comparisons using the California Department of Justice's California Sex and Arson Registry (sex offender registry) and its Licensing Information System and Child Welfare Services/Case Management System, it needs to be more accountable for the address matches it identifies and better document certain investigative procedures. Specifically, Social Services began conducting address comparisons in December 2011, and it has continued to perform this process regularly since then. However, because of a methodological error, it did not begin comparing the addresses of its licensed facilities and foster homes against the entire sex offender registry until October 2013. Further, Social Services has not fully developed certain procedures for screening address matches and for reviewing the results of a county's investigations; therefore, it could better document its procedures in these areas. Moreover, Social Services has not been adequately tracking the outcome of each match it identified, which raises concerns that some address matches were not appropriately reviewed. In fact, Social Services was unable to initially account for the results of more than 8,600 potential address matches.

Audit Highlights . . .

Our follow-up audit of the California Department of Social Services' (Social Services) progress in addressing issues we raised in our 2011 audit highlighted the following:

» *Although Social Services began conducting regular address comparisons using the sex offender registry and its licensing information and case management systems, it needs to be more accountable for the address matches and better document its investigative procedures.*

- *Because of a methodological error, it did not begin comparing the addresses of its licensed facilities and foster homes against the entire sex offender registry until almost two years after implementation of the address comparison.*

- *It has not fully developed procedures for screening address matches and for reviewing the results of a county's investigations.*

- *It has not been adequately tracking the outcome of each match it identifies—Social Services was unable to initially account for the results of more than 8,600 potential address matches.*

» *Counties continue to pay, without adequate justification, monthly rates to foster family agencies that are much higher than the rates for other placements because Social Services has not done the following:*

- *Revised its rates paid to foster family agencies so that each component of the rates have reasonable support.*

continued on next page . . .

- *Changed its regulations so that licensed foster family homes receive a higher priority than foster family agencies.*
- *Required counties to provide justification for any child placed with a foster family agency.*

Over the last four years, the placement of foster children with more expensive foster family agencies has decreased. We attribute this decrease to the financial incentives created by the 2011 public safety realignment, which enables counties to keep any savings resulting from using lower-cost placement options, and to Social Services' continued efforts to encourage placements with foster children's relatives. Even so, Social Services still has not addressed our recommendation to revise its rates paid to foster family agencies to ensure that it has reasonable support to justify each rate component. Further, Social Services has yet to change its regulations so that licensed foster family homes receive a higher priority than foster family agencies, nor does it require counties to provide a justification for any child placed with a foster family agency. Consequently, counties continue to pay monthly rates to foster family agencies that are much higher than the rates for other placements without adequate justification. We estimate that if Social Services were to implement our recommendations related to foster family agencies by July 2015, counties could save \$116 million over the next five years.

Recommendations

To ensure that all address matches of registered sex offenders who potentially reside or work at a licensed facility or foster home are reviewed, Social Services should improve its current mechanism to track and monitor the outcome of each address match it identifies.

To improve its review process, preserve institutional knowledge, and ensure that staff consistently implement registered sex offender reviews in the future, Social Services should better document its review procedures.

To ensure that counties' use of foster family agency placements is justified, Social Services should take action to implement the recommendations we previously made in our 2011 audit. Specifically, Social Services should do the following:

- Continue working to revise its rates paid to foster family agencies and ensure that it has reasonable support to justify each rate component, especially the administrative fee it currently pays these agencies.
- Require counties to give licensed foster homes a higher priority than foster family agencies for children who do not have identified treatment needs.
- Require counties to prepare a detailed justification for any child placed with a foster family agency.

Agency Comments

Social Services generally agreed with our conclusions and recommendations.

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Introduction

Background

California has a system of laws and agencies designed to prevent and respond to child abuse and neglect. This system—often called *child protective services*—is part of a larger set of programs commonly referred to as the *child welfare services (CWS) system*. Generally, the CWS system provides family preservation services, removes children from unsafe homes, provides for the temporary placement of these children with relatives or into foster and group homes, and facilitates legal guardianship or the adoption of these children into permanent families when appropriate. Although state law requires the California Department of Social Services (Social Services) to oversee the CWS system, counties carry out the required activities.

Ensuring the Safety of Foster Children

Two of Social Services' divisions have lead roles in the CWS system—the Children and Family Services Division (family services division) and the Community Care Licensing Division (licensing division). The family services division is responsible for overseeing the CWS system activities, which range from those related to early intervention in the homes of abused or neglected children to services related to the permanent placement of such children. The licensing division oversees and regulates more than 64,000 licensed community care facilities statewide, including the licensing of foster and group homes that house children removed from unsafe homes. In doing so, the licensing division screens and inspects facilities, ensures that licensed facilities comply with applicable laws and regulations, and takes corrective action when facilities violate or cannot meet such laws and regulations. One such violation is the presence of a registered sex offender living or working among children in the CWS system at one of these facilities. State law generally prohibits any person required to register as a sex offender from residing in these facilities—except as a client—and also prohibits them from working or volunteering in foster homes, child day care facilities, or children's residential facilities licensed by Social Services.

At the end of 2011, in response to a recommendation from our October 2011 audit report,¹ Social Services began to compare the addresses of registered sex offenders with the addresses of licensed

¹ This report is titled *Child Welfare Services: California Can and Must Provide Better Protection and Support for Abused and Neglected Children*, Report 2011-101.1.

Units That Oversee Registered Sex Offender Reviews

Children and Family Services Division

Performance and Program Improvement Unit

Oversees foster homes approved by county child welfare services agencies.

Community Care Licensing Division

Investigations Branch

Investigates state-licensed children's residential facilities, adult and senior care facilities, and child care facilities.

Statewide Children's Residential Program Office

Oversees county-licensed foster family homes.

Statewide Child Care Program Office

Oversees county-licensed family child care homes.

Sources: California Department of Social Services' documents, which include an investigative procedure document, an address comparison flowchart, and an all-county letter it issued in October 2013 (No.13-64).

facilities and foster homes (address comparisons), and it has continued to do so. When an address comparison identifies a potential match, Social Services reviews the match in a two-step process. First, it conducts a preliminary screening process to safely eliminate address matches that do not require an on-site investigation. If it cannot effectively eliminate an address match through its screening process, Social Services then initiates an investigation to determine if a sex offender is inappropriately residing or working in a licensed facility or foster home. Social Services divides the responsibility for conducting or overseeing these investigations among four units within the licensing and family services divisions, as shown in the text box. The Investigations Branch directly investigates registered sex offenders in state-licensed facilities, while the other three units delegate the responsibility for conducting investigations of the various facilities listed in the text box to county licensing or CWS staff. Despite differences in how the reviews are carried out, Social Services indicated that each unit is responsible for initiating and tracking the outcome of the address matches it reviews or is charged with overseeing.

Placement of Children in Foster Homes

Within California's CWS system, counties are generally responsible for the placement of children removed from their original homes. However, Social Services has a role in overseeing these placement practices. For example, as a condition of receiving federal funding, federal law generally requires these children to be placed in the least restrictive, most familylike environment possible. To keep children in these environments, Social Services' regulations require agencies to attempt to place children in the following priority order:

- Home of the child's noncustodial parent, relatives, or extended family members.
- Licensed foster homes or homes certified by foster family agencies.
- Group homes.
- Specialized treatment facilities.

For placement in group homes and in specialized treatment facilities, Social Services requires a written justification to be included in the child's case plan. As we described in our October 2011 audit report, the payment rates to foster family agencies are much higher than those for licensed foster homes because these rates assume an elevated level of treatment needs for a child. However, Social Services does not require counties to document these treatment needs in children's case plans before placing the children with foster family agencies. In that same audit report, we also expressed concern about the dramatic growth in counties' use of foster family agencies and the lack of support to justify the payment rate that Social Services established for these agencies.

Scope and Methodology

The California State Auditor's practice is to occasionally follow up on past audit reports to verify agencies' assertions regarding their implementation of our recommendations. For this follow-up audit, we focused on two areas previously covered in our October 2011 audit: registered sex offender address comparisons and foster family agency placements. We interviewed staff and reviewed documentation supporting Social Services' implementation of our recommendations specific to these areas.

The U.S. Government Accountability Office, whose standards we are statutorily required to follow, requires us to assess the sufficiency and appropriateness of computer-processed information that is used to support our findings, conclusions, or recommendations. In our 2011 audit, we found Social Services' case management and licensing information systems, which contain placement data and applicable addresses, to be of undetermined reliability because we found that Social Services and counties had insufficient source documentation for many of the key fields used in our analysis. Because of this known limitation, and because of the limited nature of this follow-up audit, we did not conduct a data reliability assessment on Social Services' placement data or on data used in its address comparisons. Nevertheless, we believe we have gathered sufficient evidence to support our findings, conclusions, and recommendations.

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Audit Results

The California Department of Social Services Performs Regular Address Comparisons of Registered Sex Offenders, but Its Procedures Need Improvement

Findings from our follow-up audit indicate that the California Department of Social Services (Social Services) has implemented our previous recommendation that it conduct regular address comparisons to determine whether registered sex offenders are inappropriately living or working in its licensed facilities or in the homes of foster children. An audit report we published in 2008 recommended that the California Department of Justice (Justice) and Social Services work together to allow Social Services to access Justice's California Sex and Arson Registry (sex offender registry) for the purposes of performing these address comparisons.² Our October 2011 audit found that, although Justice had granted Social Services access to this database, Social Services was not using the sex offender registry to perform the address comparisons because of resource constraints. Social Services did implement other measures, including checking the Megan's Law website,³ but none of these measures substitutes for full address comparisons for all registrants in Justice's sex offender registry. Therefore, in October 2011 we again recommended that Social Services begin conducting regular address comparisons, using Justice's sex offender registry and the addresses of licensed facilities and foster homes contained within its Licensing Information System and Child Welfare Services/Case Management System (CWS/CMS), respectively. One of the main purposes of this follow-up audit was to review Social Services' progress in implementing this recommendation and the impact of these address match investigations on safeguarding the health and safety of foster children.

Our current audit determined that in December 2011 Social Services began performing monthly address comparisons and has performed this process regularly since then. However, for nearly two years, Social Services had a significant deficiency in the methodology it used for the address comparisons. It discovered this deficiency in fall 2013 and immediately corrected it. Furthermore, although Social Services now performs regular address comparisons, as we previously recommended, we found that it does not adequately track the screening or disposition of all the address matches it identifies and does not document certain investigative procedures.

² *Sex Offender Placement: State Laws Are Not Always Clear, and No One Formally Assesses the Impact Sex Offender Placement Has on Local Communities*, Report 2007-115 (April 2008).

³ The Megan's Law website is the portion of Justice's sex offender registry that the public can view.

Social Services' Address Match Investigations That We Reviewed Helped Keep Foster Children Safe

Social Services' ongoing address comparisons and subsequent investigations have been important mechanisms for mitigating the risk that registered sex offenders might be living or working among foster children. Social Services' monthly address comparisons identified nearly 25,000 potential instances of registered sex offenders living in or having some association with licensed facilities or foster homes during the three-year period from December 2011 to December 2014, as shown in Table 1. Each month Social Services' Technical Services Branch provides the potential address matches to the four department units to review, as described in the Introduction. Once received, each unit performs a preliminary screening process to eliminate potential address matches that do not require further investigation. Potential address matches can be eliminated for a variety of reasons, including when the registered sex offender is a client in the state-licensed facility, when there are duplicate matches, or when a foster family home is closed or never opened because it did not proceed past the applicable stage of the approval process. If an address match cannot be eliminated through the screening process, an investigation will be conducted to determine if a sex offender is inappropriately residing or working in a licensed facility or foster home.

Of the nearly 25,000 potential address matches, Social Services could not initially provide documentation for more than 8,600 to demonstrate that any outcomes had been reached.

Of the nearly 25,000 potential address matches, Social Services could not initially provide documentation for more than 8,600 to demonstrate that any outcomes had been reached. Moreover, investigations for more than 400 potential address matches were more than 45 days past due. We discuss these two issues in greater detail later in the report. For the remaining potential address matches, Social Services reviewed more than 15,700 matches and substantiated in 216 instances that a registered sex offender lived in, worked in, or was associated with a state-licensed facility, county-licensed facility, or foster home. According to Social Services, it took action to protect the safety of children and vulnerable adults in these 216 instances, including removing and excluding the registered sex offenders from the homes, removing children from the homes, initiating safety interventions such as limiting the sex offender's access to the foster child, or revoking the facilities' licenses.

Although 216 substantiated investigations represents a small percentage of the total number of potential address matches, Social Services' actions and the outcomes produced by its address comparison process had a demonstrable impact on the health and safety of children. In several cases we reviewed, the address comparison and follow-up investigations identified registered sex offenders who resided in approved foster homes

Table 1
California Sex and Arson Registry Addresses Matched and Investigated by the California Department of Social Services
December 2011 Through December 2014

RESPONSIBLE UNIT	FACILITY TYPE	RESULTS OF ADDRESS MATCH COMPARISON			REGISTERED SEX OFFENDER STATUS AS A RESULT OF ADDRESS MATCH INVESTIGATION			UNACCOUNTED ADDRESS MATCHES	
		IDENTIFIED	REVIEWED	ELIMINATED DURING SCREENING PROCESS	NOT ASSOCIATED WITH FACILITY	ASSOCIATED WITH FACILITY	INVESTIGATIONS OVERDUE	TOTAL	WAS THE UNIT ABLE TO RECONCILE ITS ADDRESS MATCHES?*
Performance and Program Improvement Unit (performance unit)†	Foster homes approved by county child welfare services agencies	15,135	6,800	No data provided	6,667‡	133	422	7,913	No
Investigations Branch	State-licensed children's residential, adult and senior care, and child care facilities	8,484	8,315	8,071	174	70	-	169	Yes
Statewide Children's Residential Program Office	County-licensed foster family homes	1,254	659	473	175	11	-	595	No
Statewide Child Care Program Office	County-licensed family child care homes	24	20	-	18	2	-	4	Yes
Totals		24,897	15,794	8,544	7,034	216	422	8,681	

Sources: California State Auditor's analysis of unaudited data from the California Department of Social Services (Social Services). Investigations data are from Social Services' report titled *Registered Sex Offender Address Match Project: Matching Process and Outcomes of Follow-up Investigations*, April 2015. Address matching data are from Social Services' Technical Services Branch.

* In April 2015 we requested that each unit reconcile its number of identified address matches with its number of address matches reviewed.

† The performance unit provided investigations data from December 2011 to October 2014.

‡ The performance unit's total includes foster homes in which no child is placed and inactive foster homes.

without Social Services' knowledge. Only through the address comparison and follow-up investigations were these situations discovered and resolved.

For example, in one address match investigation we reviewed, the county social worker found that the caregiver allowed a registered sex offender and parolee to reside in the approved foster home with six minors, three of whom were foster children between the ages of 1 and 4. When interviewed, the caregiver acknowledged that the registered sex offender resided in the home. Further, the eldest foster child disclosed that both the caregiver and the registered sex offender had struck her several times. Using the information obtained through the on-site investigation, the county social worker determined that there were multiple safety concerns in the caregiver's home and immediately removed the three foster children. The social worker also discovered that the registered sex offender was released on parole to this home, which subjects the

home to continuous parole compliance checks. The registered sex offender's parole officer stated that the sex offender was complying with the terms of his parole and the parole officer did not object to the living arrangement because she believed the children belonged to him.

In another investigation we reviewed, the county investigating the address match determined that the caregivers, who were the child's relatives, allowed their adult son—a registered sex offender—to reside in the approved foster home with their foster child for approximately three months without the county child welfare services (CWS) agency's knowledge. Despite the fact that both caregivers were aware that their son was a registered sex offender, they did not feel that his presence was a problem. In fact, the caregivers stated that they were unconcerned because their son's parole officer approved of his living in the home and knew that the child also lived there. The county social worker investigating this case spoke with the parole officer and confirmed that she approved the home because the conditions of the registered sex offender's parole did not prohibit him from having contact with children. However, in both this investigation and the one discussed previously, it is unclear whether the parole officers knew that the homes were approved foster homes and that state law generally prohibits registered sex offenders from living or working in these homes.

Based on the information obtained through the on-site investigation, the county social worker removed the foster child and placed her in the care of her father, who had recently been awarded court-ordered services to maintain the child in his home.

During the investigation, the county social worker did not discover any evidence that anyone living in the home had abused or neglected the foster child. Nevertheless, the social worker substantiated that the caregivers allowed a registered sex offender to live in their foster home and have regular contact with a foster child without their properly notifying the county of the presence of this adult in the home. Based on the information obtained through the on-site investigation, the county social worker removed the foster child and placed her in the care of her father, who had recently been awarded court-ordered services to maintain the child in his home.

Both cases demonstrate the value of the address comparison process in identifying registered sex offenders who move into a foster home without the respective county's knowledge and the positive impact these address match investigations have on protecting the health and safety of foster children.

Procedural Improvements Would Enhance Social Services' Reviews of Registered Sex Offenders Who May Be Living With or Working Around Foster Children

Although Social Services has implemented our recommendation to conduct regular address comparisons to identify registered sex offenders who may be illegally living or working in licensed facilities or in the homes of foster children, it has not been adequately tracking the outcome of all address matches that it has identified, and it has not adequately documented certain procedures.

As described in the Introduction, Social Services divides the responsibility for initiating and tracking the outcomes of registered sex offender reviews among four units. However, we found that none of these four units is actively reconciling the number of address matches identified through its address comparison process to the number of address matches reviewed. As indicated earlier, when we performed this reconciliation, we discovered that far fewer address matches were reviewed than were identified by the address comparison process. Specifically, we found that two of the responsible units failed to track or document that they had reviewed more than 8,500 identified address matches as shown in Table 1 on page 11.

Because of these missing outcomes, we were concerned that Social Services did not appropriately review all the address matches it identified, thereby risking the possibility that a registered sex offender might still be present in these licensed facilities or in the homes of foster children. As a result, we asked each unit to explain the discrepancies and to provide supporting documentation to reconcile its number of completed reviews with the number of address matches identified through Social Services' address comparison process.

In response to this inquiry, the units provided us with reasons why they believed the discrepancies existed between the number of address matches identified and the number that were reviewed. Three units attributed the discrepancies to address matches that they removed during an initial screening process. The Statewide Child Care Program Office (child care office) discovered in response to our inquiry that its discrepancy existed because it failed to review four address matches from October 2013, in which registered sex offenders' addresses matched the addresses of family child care homes. In April 2015, as soon as the child care office became aware of these unresolved address matches, based on our inquiry, it immediately referred three for investigation, and determined it had previously investigated the remaining match. Ultimately, the child care office found that registered sex offenders were not associated with the facilities in the remaining three cases. Despite the positive outcomes, because these address matches were about 16 months

Social Services is not actively reconciling the number of address matches identified through its address comparison process to the number of address matches reviewed.

old, it is critical for each responsible unit to actively track its address matches to ensure that each one is properly reviewed and that each unit documents the outcome of its review.

Although each of the units was able to generally explain the discrepancy between its number of address matches identified and reviewed, only the Investigations Branch and the child care office could reconcile their discrepancy after our inquiry and demonstrate to us that they had appropriately reviewed each address match. The Statewide Children's Residential Program Office (children's residential office) could not account for 595 matches or demonstrate to us that it had appropriately reviewed each match. According to the manager of the children's residential office, it does not have a process in place to provide a detailed reconciliation of its address matches and reviews, and it does not have the resources necessary to retroactively complete this analysis. Finally, according to the Performance and Program Improvement Unit (performance unit), after our inquiry, it began to take steps to reconcile the 7,913 matches unaccounted for. However, as of June 2015, this reconciliation had not been completed.

In addition to the discrepancy between the number of address matches it identified and reviewed, the performance unit has not adequately tracked its overdue address match investigations. As shown in Table 1 on page 11, the performance unit reported that 422 of its address match investigations were past due as of October 2014. The performance unit requires that each county investigate and report the outcomes of its address match investigations to it within 45 calendar days. We requested the performance unit to provide the outcomes of these outstanding investigations, but the performance unit chief stated that he could not confirm with certainty that the counties investigated them, nor could he summarize the outcome for each because the current tracking system that the performance unit uses does not allow his staff to see which address matches were previously overdue. Similar to the address match discrepancies discussed earlier, this further illustrates that Social Services is not adequately tracking the outcomes of all address matches identified through its address comparison process.

Social Services is not adequately tracking the outcomes of all address matches identified through its address comparison process.

We found that the four units did not adequately document their investigative procedures. For example, each unit performs a preliminary investigation process to screen out or remove certain address matches before assigning cases for an on-site investigation. However, the children's residential office and the child care office had no procedures documenting the screening process they performed. Further, although the Investigations Branch and the performance unit documented their screening processes, neither included explanations of why it was safe to screen out

certain address matches. Additionally, the child care office, children's residential office, and performance unit had no written procedures outlining how their staff should monitor and review the results of a county's investigations. Without better documented procedures, staff may not understand the reasoning behind the tasks they perform, especially if key staff were to leave their positions. All four units agreed that they need to better develop and document their procedures to enhance their staff's knowledge of the process, preserve institutional knowledge, and ensure that their staff implement the procedures consistently in the future. The four units indicated that revised procedures will be in place by fall 2015.

Finally, Social Services discovered in September 2013 that for almost two years—from December 2011 to September 2013—it was performing monthly address comparisons that captured only the addresses of registered sex offenders who were newly registered or active in the sex offender registry during the month reviewed. Thus, its comparisons during that period incorrectly excluded addresses from all previous months. This error could have prevented Social Services from promptly identifying registered sex offenders who may have been living or working in licensed facilities or foster homes during the 21 months in which it used this flawed methodology. Social Services corrected its methodology in October 2013, as soon as it became aware of it, and now conducts monthly address comparisons using the entire sex offender registry.

By correcting this error, Social Services significantly increased the number of registered sex offenders' addresses included in the comparison process. Specifically, in September 2013, the month immediately before it made the correction, Social Services compared the addresses of its licensed facilities and foster homes to about 12,500 addresses from the sex offender registry and identified 280 potential matches. One month later, using the corrected methodology, Social Services compared its facilities' addresses to the entire sex offender registry, which contained more than 447,000 addresses, resulting in the identification of nearly 10,000 potential matches. After this initial spike in address matches, the revised methodology captured, on average, about twice as many matches per month than the previous methodology had.

By correcting an error it made for almost two years in using the sex offender registry, Social Services significantly increased the number of registered sex offenders' addresses included in the comparison process.

Although Counties Have Reduced Placements With Foster Family Agencies, Social Services Has Not Fully Implemented Our Recommendations Related to Such Placements

Over the last four years, the placement of foster children with more expensive foster family agencies—typically private nonprofit organizations that recruit and certify foster homes—has continued to decrease. We attribute this decrease to the financial incentives created by the 2011 public safety realignment (realignment), which enables counties to keep the savings resulting from using lower-cost placement options, and to Social Services' continued efforts to encourage placements with foster children's relatives. In effect, realignment resolved one of the recommendations from our 2011 audit. However, as shown in Table 2, Social Services has not fully implemented the remaining four recommendations related to the use of foster family agencies. Consequently, counties continue to pay monthly rates to foster family agencies that are much higher than the rates for other placements, and the counties are not adequately justifying these more expensive placements.

Table 2
Status of Recommendations Related to Placement of Foster Children With Foster Family Agencies

RECOMMENDATION	STATUS BASED ON FOLLOW-UP REVIEW
To achieve greater cooperation from counties and to make it possible for some of these counties to improve their placement practices, the California Department of Social Services (Social Services) should develop a funding alternative that allows the counties to retain a portion of state funds they save as a result of reducing their reliance on foster family agencies and only making placements with these counties when justified by the elevated treatment needs of the child. The counties would use these funds to support placement activities necessary to achieve the savings (for example, assessment centers and placement resource units).	Resolved*
To ensure that rates paid to foster family agencies are appropriate, Social Services should analyze the rates and provide reasonable support for each component, especially the 40 percent administrative fee it currently pays these agencies.	Not fully implemented
Social Services should require counties to file in the Child Welfare Services/Case Management System a detailed justification for any child placed with a foster family agency.	Not fully implemented
Social Services should create a mechanism by which it can efficiently check for compliance with the needs-justification requirement.	Not fully implemented
Social Services should create and monitor compliance with clear requirements specifying that children placed with foster family agencies must have elevated treatment needs that would require a group home placement if not for the existence of these agencies' programs. Specifically, Social Services should revise its regulations so licensed foster homes have higher priority than foster family agencies for children who do not have identified treatment needs.	No action taken

Sources: California State Auditor's (state auditor) recommendations in report 2011-101.1: *Child Welfare Services: California Can and Must Provide Better Protection and Support for Abused and Neglected Children*, and the state auditor's analysis of Social Services' implementation activities.

* Social Services did not take action to fully implement this recommendation; rather, the 2011 public safety realignment passed by the Legislature resolved our recommendation.

Because of Realignment and the Increased Placement of Foster Children With Their Relatives, Counties' Use of Foster Family Agencies Has Decreased

We previously reported concerns that the placement of children with foster family agencies increased from 18 percent to 29 percent between 1999 and 2010. Further, we estimated that this growth in the percentage of placements with foster family agencies, which cost significantly more than licensed foster homes, resulted in counties spending an additional \$327 million in foster care payments between 2001 and 2010. To address this trend, we recommended that Social Services develop a funding alternative to allow counties to retain a portion of state funds they save as a result of reducing their reliance on foster family agencies.

Social Services indicated in its 60-day response to our October 2011 audit, and we agreed, that realignment had essentially addressed this recommendation. Specifically, the state budget act of 2011 included a major realignment of public safety programs from the state to local governments, including Social Services' funding for foster care. Beginning in fiscal year 2011–12, a portion of state sales and use tax revenues and vehicle license fee revenues are now designated for the counties and deposited into a separate account within the State's Local Revenue Fund to support various CWS activities. The Legislative Analyst's Office reported that realignment did not change major functions of the CWS system; rather, it transferred most nonfederal funding responsibility for child welfare programs to the counties. Before realignment, when CWS caseloads increased, the State and counties would share in these increased costs. After realignment, counties bear financial responsibility for increases in caseloads or other CWS costs. Conversely, if caseloads or other costs decrease, counties can use these savings for other related purposes. Consequently, realignment provides a financial incentive for counties to use lower-cost placement options such as placements with relatives or licensed foster homes when appropriate.

Another likely reason for the decrease in the use of foster family agencies is Social Services' efforts to encourage the placement of foster children with relatives. In its 2010 program improvement plan, Social Services described efforts, known as *family finding*, to locate children's mothers, fathers, and other maternal and paternal family members. According to Social Services, the program improvement plan specifically focused on increasing placements with relatives because research has shown that such placements are more stable than other placement settings. Consequently, those children tend to have fewer subsequent placements, including placements with foster

Another likely reason for the decrease in the use of foster family agencies is Social Services' efforts to encourage the placement of foster children with relatives.

family agencies. As the Figure indicates, the decrease in the percentage of placements with foster family agencies corresponds to the timing of realignment and to an increase in the percentage of foster children placed with relatives. Given that placements with relatives are better for children and much less expensive than placements with foster family agencies or group homes, counties have a natural incentive to follow Social Services' guidance. We estimated that by reducing their reliance on foster family agencies, counties saved nearly \$69 million between July 2010 and December 2014.⁴

Figure
Percentage of Children in Placement by Type
January 1998 Through January 2015



Source: Unaudited data from Child Welfare Services/Case Management System, 2014 fourth-quarter extract. Retrieved from the website of the University of California at Berkeley Center for Social Services.

Note: This figure excludes probation supervised placements and supervised independent living placements.

It appears, however, that these decreases in placements with foster family agencies have begun to taper off. In fact, for 2013 and 2014, the CWS system has had no decrease in the percentage of placements with foster family agencies once the statistics are adjusted for recent increases in a relatively new population of foster children—young adults living in supervised independent living situations. As the following sections explain, the implementation of our remaining 2011 recommendations will help counties continue

⁴ This savings captures only the decrease in the use of foster family agencies and does not consider any costs incurred by counties and Social Services to achieve these results.

to reduce their use of foster family agencies and will thus allow them to achieve even greater savings that they can use to create or sustain other parts of the CWS program.

Social Services Still Does Not Have Support for the Rates It Pays Foster Family Agencies

In our 2011 audit, we concluded that Social Services did not have reasonable support to justify its payment rates for foster family agencies. We were especially concerned that Social Services did not know how it determined that the 40 percent administrative fee paid to the foster family agencies was an appropriate amount for the agencies’ recruitment, training, and other administration. The rates paid to foster family agencies, which are overseen by Social Services, assume that children placed with these agencies have elevated treatment needs—such as the need for counseling—that would otherwise land the children in even more expensive group homes. As Table 3 shows, the monthly payment rates for foster family agencies are more than \$1,000 higher than the monthly cost of licensed foster family homes. We recommended that Social Services analyze its payment rates for foster family agencies and provide reasonable support for each component of these rates; however, it has yet to complete this analysis.

Table 3
Comparison of Monthly Rates for Licensed Foster Homes and Foster Family Agencies
Fiscal Year 2014–15

AGE GROUP	COST OF LICENSED FOSTER HOME	FOSTER FAMILY AGENCY TREATMENT RATES			TOTAL PAYMENT TO FOSTER FAMILY AGENCY	DIFFERENCE BETWEEN MONTHLY RATES FOR FOSTER HOMES AND FOSTER FAMILY AGENCIES
		PAYMENT TO FOSTER HOME	ADDITIONAL SOCIAL WORK SERVICES	ADMINISTRATION		
0–4	\$671	\$860	\$296	\$572	\$1,728	\$1,057
5–8	726	915	296	593	1,804	1,078
9–11	764	953	296	611	1,860	1,096
12–14	800	989	296	643	1,928	1,128
15–20	838	1,027	296	672	1,995	1,157

Source: California Department of Social Services’ all-county letter (No. 14-44) regarding foster care rates issued in July 2014.

Senate Bill 1013 (SB 1013), Chapter 35, Statutes of 2012, requires Social Services to establish a working group to develop recommended revisions to the current services, programs, and rate-setting system serving children and families, including all programs provided by foster family agencies. Social Services established this required working group in September 2012, and according to the chief of the foster care audits and rates branch, it

By waiting until January 2017 to develop reasonable substantiation for the foster family agencies' rate structure, including their administration fee, Social Services is causing counties to continue to pay rates that do not have adequate justification.

plans to have a revised rate structure in place by January 2017. She also indicated that the revised rate structure will include reasonable support for each component. However, by waiting until January 2017 to develop reasonable substantiation for the foster family agencies' rate structure, including their administration fee, Social Services is causing counties to continue to pay rates that do not have adequate justification.

Social Services Still Does Not Require Counties to Document the Treatment Needs of Children Placed With Foster Family Agencies

As indicated earlier, Social Services developed a higher payment rate for foster family agencies because it assumed that children placed with these agencies would have elevated treatment needs. However, despite our earlier recommendation, Social Services still does not require counties to document the treatment needs of children placed with foster family agencies.

In our 2011 audit, we highlighted the fact that although the payment rate of foster family agencies is more than double that of state- or county-licensed foster homes, Social Services' regulations do not require counties to document their justification for placing children with the more expensive agencies. Although the counties we visited for the 2011 audit stated that they preferred to use licensed foster homes instead of foster family agencies, none of them required justification or supervisor approval for placing children with a foster family agency. In fact, officials in two counties we visited in 2011 acknowledged that those counties had been placing children without elevated treatment needs with foster family agencies. One official added, "Placements are being directed towards foster family agencies that are more about convenience than treatment needs." A 2001 study by the University of California, Davis (UC Davis), corroborated these assertions. Specifically, the study found that foster family agencies were originally developed as an alternative to group homes but over time morphed into something different than originally conceived. As Social Services stated in a June 2000 report to the Legislature, foster family agencies became a replacement for licensed foster homes. Further, the UC Davis study, which included a sample review of over 700 children in placement, found that children in its sample who were in licensed foster homes actually had a higher frequency of medical, physical, behavioral, psychological, and learning problems than children in its sample who were in foster family agency homes.

In our 2011 audit, we recommended that Social Services require counties to file in the CWS/CMS database a detailed justification for placing a child with a foster family agency, and we proposed that Social Services create an efficient mechanism to check for compliance

with the needs-justification requirement for these placements. In its response to these recommendations, Social Services explained that it plans to replace CWS/CMS with a new case management system in 2019; therefore, it is not practical from either a cost or time standpoint to update CWS/CMS to address our recommendation. However, we believe that Social Services still could have taken action to address this deficiency, despite the fact that it plans to replace its current case management system. One purpose of the CWS/CMS is to document where foster children are and what steps the county took to ensure that the placement was safe. Therefore, Social Services could require counties to use these same locations within CWS/CMS to document the steps they took to ensure that a child placed with a foster family agency actually had elevated treatment needs that would otherwise cause him or her to be placed in a group home. By not establishing this basic control, Social Services perpetuates a long-standing problem: payments to foster family agencies—portions of which are federally reimbursed—are not adequately justified.

Social Services Has Not Revised Its Regulations to Make Placing Children in Licensed Foster Homes a Higher Priority Than Placing Them With Foster Family Agencies

Social Services has not implemented our recommendation to revise its regulations so that licensed foster homes have a higher priority than foster family agencies for children who do not have identified treatment needs. In our 2011 audit, we criticized Social Services' regulations for putting licensed foster homes and homes certified by foster family agencies on the same priority tier. As stated earlier, our reason for doing so was that foster family agencies are much more expensive than licensed foster homes, and so children placed with these agencies should have elevated treatment needs that would otherwise cause the children to be placed in group homes. However, years later, Social Services still has not responded adequately to these concerns and to our corresponding recommendation.

Although state law authorizes Social Services to revise its regulations, it did not. According to Social Services' legal counsel, it did not update its regulations because at the time the 2011 audit findings were made, Social Services was in the process of a reform effort to revise its placement statutes and regulations pursuant to SB 1013. Furthermore, Social Services' legal counsel explained that Social Services did not want to make a temporary, piecemeal change in the placement regulations to address the one issue raised in our 2011 audit. Rather, Social Services felt that changes to the placement regulation should be made as part of an integrated set of regulatory changes that will be adopted as part of its reform effort. Furthermore, Social Services stated that it is awaiting the passage of Assembly Bill 403 (AB 403), which the Legislature

Years later, Social Services still has not responded adequately to concerns about having licensed foster homes and homes certified by foster family agencies on the same priority tier in its regulations.

By not making our recommended regulatory changes, Social Services has allowed counties to continue placing children in the more costly foster family agency placements when lower-cost placements with licensed foster homes may be more appropriate.

is currently considering. AB 403 would mandate that licensed foster family homes be given a higher placement priority than foster family agencies and would authorize Social Services to issue regulations in furtherance of the bill's provisions by means of all-county letters. If AB 403 is enacted into law, the earliest date Social Services could issue regulations or instructions through an all-county letter would be January 2016, which is when the provisions of AB 403 would go into effect. This will be more than four years since we made our original recommendation. By not making our recommended regulatory changes, Social Services has allowed counties to continue placing children in the more costly foster family agency placements when lower-cost placements with licensed foster homes may be more appropriate.

Despite this acknowledged delay, Social Services believes that the reform effort it began as the result of SB 1013 has placed it on a path to implement our recommendations related to foster family agency placements. Specifically, Social Services asserts that, as required by SB 1013, it is in the process of revising the current system—including foster family agency programs—through a major restructuring of the system of out-of-home care, children and youth no longer need to be moved between placements and programs to obtain their needed services. Rather, Social Services believes that children and youth will be supported in family homes and the least restrictive settings possible, with their services brought to them, which it indicates will necessitate substantial changes to the current rates system.

In addition, Social Services plans to conduct enhanced case reviews of counties' placements on a sample basis, which will serve as a monitoring mechanism to ensure compliance with the needs-justification requirement. Furthermore, AB 403, if enacted, will require counties to meet certain requirements to receive federal reimbursement when placing children with foster family agencies. For example, the social worker will be required to document in the child's case plan the need for, nature of, and anticipated duration of the foster family agency placement. Once in place, these changes will likely fully address both of our recommendations in this area. However, according to Social Services, implementing changes of this magnitude statewide will require a sustained and coordinated effort, involving significant time and resources over several years and, therefore, it will be a minimum of two years before it will be able to address these recommendations.

We believe that once Social Services fully implements our remaining recommendations, counties will rely less on foster family agencies, thus saving millions of dollars while still placing children with facilities that match their needs. In fact, we estimate that if Social Services were to implement our recommendations by

July 2015, counties could save \$116 million over the next five years.⁵ However, to achieve these results, at least some portion of these potential savings would need to be spent on additional efforts, such as family finding or foster family recruiting.

Recommendations

To ensure that all address matches of registered sex offenders who potentially reside or work at a licensed facility or foster home are reviewed, Social Services should improve its current mechanism to track and monitor the outcome of each address match it identifies. This tracking mechanism should allow Social Services to actively reconcile the number of address matches identified through its address comparison process with the number of completed reviews to ensure that it appropriately reviewed each match. Further, this mechanism should allow Social Services to actively monitor and report on any overdue investigations.

To improve its review process, preserve institutional knowledge, and ensure that staff consistently implement registered sex offender reviews in the future, Social Services should better document its review procedures. For example, Social Services should better document its screening process by identifying criteria for determining when it is acceptable to exclude certain address matches from investigation and by providing an explanation to staff for why it is safe to remove address matches that meet those particular criteria.

To ensure that counties' use of foster family agency placements is justified, Social Services should take action to implement the recommendations we previously made in our 2011 audit. Specifically, Social Services should do the following:

- Continue working to revise its rates paid to foster family agencies and to ensure that it has reasonable support to justify each rate component, especially the administrative fee it currently pays these agencies.
- Require counties to give licensed foster homes a higher priority than foster family agencies for children that do not have identified treatment needs.
- Require counties to prepare a detailed justification for any child placed with a foster family agency.

⁵ Without any of the controls we recommend in place, the use of foster family agencies annually increased by 1.24 percent from January 2000 to January 2010. Our cost-savings estimate assumes that, with the controls we suggest, the use of foster family agencies could annually decrease by this same percentage.

We conducted this audit under the authority vested in the California State Auditor by Section 8543 et seq. of the California Government Code and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives specified in the Scope and Methodology section of the report. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Respectfully submitted,



ELAINE M. HOWLE, CPA
State Auditor

Date: July 2, 2015

Staff: John Baier, CPA, Audit Principal
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Legal Counsel: J. Christopher Dawson, Sr. Staff Counsel

For questions regarding the contents of this report, please contact Margarita Fernández, Chief of Public Affairs, at 916.445.0255.

July 2015



WILL LIGHTBOURNE
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES

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EDMUND G. BROWN JR.
GOVERNOR

June 18, 2015

Ms. Elaine M. Howle, State Auditor*
California State Auditor
621 Capitol Mall, Suite 1200
Sacramento, CA 95814

Dear Ms. Howle:

SUBJECT: CALIFORNIA STATE AUDITOR REPORT 2015-502

This letter provides the California Department of Social Services' (CDSS) initial response to the California State Auditor's Office draft report entitled, *California Department of Social Services: Although Making Progress, It Could Do More to Ensure the Protection and Appropriate Placement of Foster Children*.

If you have any questions concerning the enclosed CDSS response, please contact me at (916) 657-2598 or Cynthia Fair, Audits Bureau Chief, at (916) 651-9923.

Sincerely,

WILL LIGHTBOURNE
Director

Enclosure

* California State Auditor's comments appear on page 31.

California Department of Social Services (CDSS)
RESPONSES TO AUDIT RECOMMENDATIONS

California State Auditor (CSA)

Audit #: 2015-502

Audit Title: ***California Department of Social Services: Although Making Progress, It Could Do More to Ensure the Protection and Appropriate Placement of Foster Children***

Recommendations for Social Services:

Recommendation:

To ensure that all address matches of registered sex offenders [RSO] who potentially reside or work at a licensed facility or foster home are reviewed, Social Services should improve its current mechanism to track and monitor the outcomes of each address match that it identifies. This tracking mechanism should allow Social Services to actively reconcile the number of address matches identified through its address comparison process with the number of completed reviews to ensure that it appropriately investigated each match. Further, this mechanism should allow Social Services to actively monitor and report on any overdue investigations.

CDSS Response:

CDSS agrees that ensuring the protection and safety of children in foster care is enhanced by investigating any potential address matches with RSO addresses. Further, the Department believes that all individuals in licensed out-of-home care settings, including child care, Assisted Living and Adult Residential Facilities, deserve the same protections. As a result, the Department developed comprehensive processes to ensure a consistent and thorough approach to evaluate and investigate addresses of RSOs as matched against all state and county licensed facilities. Through continuous quality improvement, the Department has further enhanced its process for matching data sets with the Department of Justice and for tracking its investigations to ensure that children and adults are safe.

The Department agrees that these processes, including tracking and monitoring of the outcomes should be properly documented.

Currently, there were a number of matches by county child welfare agencies and children's residential programs that were screened out during the first three months of this process (December 2011 through February 2012) that could not be accounted for as they preceded the electronic tracking that was initiated in March 2012. Although this documentation exists, the Department was not able to complete the full reconciliation of these early results during the course of the audit. This process is now occurring and will be completed within 60 days.

Additionally, the Department can account for the RSO addresses matched with all other licensed facility types. While the Department is finalizing the documentation of the reconciliation of the last remaining paper files, this will be completed within 60 days.

Following the completion of the audit, the Department has been able to further reconcile the matches and update the audit report charts as illustrated in Attachment 1. ①

It is important to note that this information was unavailable to the auditors at the time of the audit and is subject to their review and acceptance of the results.

Recommendation:

To improve its review process, preserve institutional knowledge, and ensure that staff consistently implement registered sex offender reviews in the future, Social Services should better document its review procedures. For example, Social Services should better document its screening process by identifying criteria for which it is acceptable to exclude certain address matches from investigation and by providing an explanation to staff for why it is safe to remove address matches with those particular criteria.

CDSS Response:

CDSS concurs with the recommendation. In 2011, the Department immediately began to develop and implement a process to complete registered sex offender reviews and investigations. As this process has evolved the Department has continuously refined and improved its data matching and review procedures to ensure consistent and thorough investigations. Now that this process has stabilized, the Department agrees that to preserve institutional knowledge, maintain the integrity of the process, and to ensure consistency, the Department will better document its review procedures. In addition, the Department will utilize these processes and procedures in conjunction with ongoing training. These procedures and policies will be complete no later than Fall of 2015.

Recommendation:

To ensure that counties' use of foster family agency [FFA] placements are justified, Social Services should take action to implement the recommendations we previously made in our 2011 audit. Specifically Social Services should:

- *Continue working to revise its foster family agency rates and ensure it has reasonable support for each rate component, especially the administrative fee it currently pays these agencies.*
- *Require counties to give licensed foster homes higher priority than foster family agencies for children that do not have identified treatment needs.*
- *Require counties to prepare a detailed justification for any child placed with a family foster agency.*

CDSS Response:

- ② CDSS agrees with the recommendation to revise the FFA rates and ensure there is reasonable support for the rate, as one aspect of the Department's work to implement Continuum of Care Reform (CCR), which will require a major shift to align the FFA rate structure with a new program design that will improve outcomes for foster children. As part of the CCR efforts, the Department is working to create a system where children should not have to change placements in order to receive services. Services should be obtained through various providers and delivered to the child's living situation, which includes a relative that has been approved by the county.

The Continuum of Care Reform:

- Breaks from traditional practice - the caseworker no longer will make decisions in isolation without the input and expertise of other practitioners and relevant team members.
- Makes available culturally relevant services and supports children, youth and their caregivers regardless of the placement setting and will be individually tailored.
- Aligns the practice of public agencies, private agencies and service providers through a common core practice model with county child welfare agencies retaining their case management responsibilities.
- Shifts the nomenclature surrounding foster care to emphasize "resource families" as "home-based family care." These families are inclusive of related and unrelated families that are approved to foster, adopt or take guardianship of children in foster care, regardless of whether they are approved by a public or private agency.
- Informs placement decisions by the provider's performance on publicly available common indicators.
- Bases decisions about placement with a specific family on a determination that the family has the capacity and ability to meet the needs of the specific child.
- Provides continuous improvement to the quality of care by using data to manage performance.
- Ensures that medically necessary health and mental health services are available to children and youth in foster care regardless of the placement setting.
- Maintains and, if necessary, establishes important connections to siblings, extended family, culture, and if applicable, tribes to achieve legal permanency and emotional permanency are necessary for every child and youth.

The Department is reviewing the FFA rate components to revise and establish a new rate methodology to be implemented under CCR.

CDSS agrees with the recommendation that counties base placement decisions on the child or youth's individualized needs, documented by a comprehensive assessment and a child and family team process. The overall goal is to maintain children in a home-based family setting, whenever possible and create a shorter path to permanency when children are placed in out-of-home care. The documentation will be included as part of the child's case plan.

The priority of placement under the CCR framework will be relatives, non-related extended family members, and then non-related foster family homes, provided the home can, with supportive services, meet the needs of the child. A core set of services will be available to all children placed in home-based family settings, (i.e., FFAs certified homes, county licensed homes, relatives) and the rate will be commensurate to those services.

Assembly Bill 403 is currently pending with the Legislature and outlines the CCR legislative framework. Revisions to departmental regulations will follow final enactment to ensure consistency and an efficient use of resources.

①

ATTACHMENT 1**Table 1a:
Post-Audit Reconciliation as of June 15, 2015**

ADDRESS MATCH INVESTIGATION OUTCOME											
RESPONSIBLE UNIT	FACILITY TYPE	ADDRESS MATCHES IDENTIFIED	ADDRESS MATCHES REVIEWED (c)	ADDRESS MATCHES ELIMINATED DURING SCREENING PROCESS	REGISTERED SEX OFFENDER NOT ASSOCIATED WITH FACILITY (c)	REGISTERED SEX OFFENDER ASSOCIATED WITH FACILITY	ADDRESS MATCH INVESTIGATION OVERDUE	ADDRESS MATCHES NOT ACCOUNTED FOR (c)	ADDRESSES SCREENED OUT BY CRITERIA (a) (b)	MATCHES NOT ACCOUNTED FOR AFTER RECONCILIATION	AFTER OUR INQUIRY, WAS THE PROGRAM ABLE TO RECONCILE ITS ADDRESS MATCHES?
Performance and Program Improvement Unit	Foster Homes approved by county child welfare services agencies	15,135	6,800	No Data Provided	6,667	133	422	7,913	5,106	2,807	No
Investigations Branch	State-licensed children's residential, adult and senior care, and child care facilities	8,484	8,315	8,071	174	70	0	169	169	0	Yes
Statewide Children's Residential Program Office	County-licensed foster family homes	1,254	659	473	175	11	0	595	595	0	Yes
Statewide Child Care Program Office	County-licensed family child care homes	24	20 (23)	0	18 (21)	2	0	4 (1)	1	0	Yes
TOTALS		24,897	15,794 (15,797)	8,544	7,034 (7,037)	216	422	8,681 (8,678)	5,871	2,807	

(a) Screened out for reason: were duplicate, wrong addresses, or incomplete/pending applications.

(b) Matches were either previously investigated, foster home was never licensed, facility was closed, or were duplicate matches.

(c) An additional three records were determined through reconciliation to be not associated with a facility.

- CSA has not had opportunity to review.
- Remaining "not accounted for" matches will be completely reconciled within 60 days.

Comments

CALIFORNIA STATE AUDITOR'S COMMENTS ON THE RESPONSE FROM THE CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

To provide clarity and perspective, we are commenting on the California Department of Social Services' (Social Services) response to our audit. The numbers below correspond to the numbers we have placed in the margin of Social Services' response.

We have not reviewed the two additional columns, the explanations in the last column, nor any of the figures in parentheses of the replica of Table 1 appearing on page 11 of our report and that Social Services included as Attachment 1 to its response on page 30. Therefore, we cannot attest to the accuracy of any information that Social Services added to our original table.

①

We agree that the efforts Social Services is undertaking as part of Senate Bill 1013 will likely address our outstanding recommendations, as we indicate on pages 19 to 22. However, our concern is the amount of time it will take for our recommendations to be implemented. As noted on pages 20 to 22 of our report, Social Services indicates that its efforts will be complete between 2016 and 2019, which is between four and seven years after we made those recommendations. This is an inordinate length of time to implement recommendations that we believe will lead to increased efficiency and decreased cost in foster family placements.

②