

CAFCS Files Suit Challenging Group Home Rates

In the July 3rd Monday Morning News Letter CACFS (California Alliance of Child and Family Services) announced that it had filed suit against the State of California in federal court alleging that the Rate Classification Level (RCL) system that establishes group home rates is out of compliance with the federal Child Welfare Act because it does not cover the actual and reasonable costs of providing care and supervision of foster children.

History:

In the state fiscal year of 1990-1991 the state implemented the RCL system. Since that time, foster care rates, established under the RCL system have increased 26% while the CNI (California Necessity Index) has grown twice as fast at 53%. When the RCL rates were originally established, they were set below actual costs, with the promise that they would be caught up along with cost of living increases. This promise proved to be an empty one. In fact there has been no COLA for the last five years or for eleven of the last fifteen years.

In addition, the State and counties have imposed new unfunded mandates that have impinged further on the charitable agencies ability to recoup their actual costs of care. The charitable agencies that have been caring for these very challenging children have made up some of their losses through fund raising. However, this has become increasingly difficult to accomplish, as more and more children require higher levels of care and the funding gap becomes greater. As a result, a large number of the state's finest charitable agencies have had to close their group home programs.

The Squeeze:

During the last fifteen years we have seen most of group home cost skyrocket to new heights. A few obvious examples: the minimum wage, all types of insurance premiums, housing, food, clothing, professional salaries and much more. The result is that group homes cannot compete in the job market for high quality staff. As a result staff turnover is high which increases training costs. Due to RCL regulations, which require specific staff to child ratios, group homes do not have the option of reducing costs by cutting back on staff. This would be a very dangerous move anyway, as these most vulnerable and challenging children require high levels of supervision and structure. The result has been the reduction of programs and the consequent impact on positive outcomes.

The Last Resort:

CACFS has tried for years to work with the California legislature to establish a more realistic and equitable rates system. The result has been minimal. As a result, CACFS feels that the only recourse is litigation.

A copy of the complaint can be viewed on the Alliance website: <http://cacfs.org>