



SUMMARY REPORT

Agenda Date: 10/3/2023

To: Board of Supervisors

Department or Agency Name(s): Human Services, Health Services

Staff Name and Phone Number: Angela Struckmann, 707-565-5800, Tina Rivera, 707-565-7901

Vote Requirement: 4/5th

Supervisorial District(s): Countywide

Title:

Valley of the Moon Children's Center Short-Term Residential Therapeutic Program

Recommended Action:

- A) Authorize the Human Services Department to operate a Short-Term Residential Therapeutic Program beginning July 1, 2024.
- B) Adopt a Resolution adjusting the Fiscal Year 2023-2024 Adopted Budget, increasing appropriations in the Human Services Department budget by \$615,492 and the Department of Health Services budget by \$73,900, for the purposes of hiring and training staff as well as purchasing necessary hardware and program materials.
(4/5th Vote Requirement)
- C) Adopt a Personnel Resolution to add 26.0 full-time time-limited equivalent positions to the Human Services Department Allocation List effective October 3, 2023, with an end date of June 30, 2027.
- D) Adopt a Personnel Resolution to add 3.1 full-time time-limited equivalent positions to the Department of Health Services Allocation List effective October 3, 2023, with an end date of June 30, 2027.
- E) Authorize the Director of the Human Services Department to execute the third amendment to an agreement with The Indigo Project for Short-Term Residential Therapeutic Program planning and accreditation services, increasing the contract by \$58,200 resulting in a new total not-to-exceed amount of \$357,000, and extending the contract end date from September 30, 2023, to June 30, 2025.

Executive Summary:

The Human Services Department's Family, Youth, & Children's Division is seeking approval to open and operate a Short-Term Residential Therapeutic Program (STRTP) starting in July 2024. Located at the Valley of the Moon Children's Center, the STRTP will be operated in partnership with the Department of Health Services to serve high-acuity youth locally, adding 16 residential slots in addition to the two other STRTPs run by local nonprofit partners. The STRTP will initially be operated as a three-year pilot program from July 2024 through June 2027. The operational and fiscal sustainability of the program will be continually evaluated by staff, and depending on findings, staff will present a future recommendation to the Board of Supervisors to either cease or continue operations.

STRTPs are residential placements designed to serve foster youth who have significant experiences of trauma and are unable to safely live within a family or independent living environment; their complex behavioral and mental health needs require intensive therapeutic treatment services. Currently, the majority of Sonoma County foster youth who qualify for a STRTP are placed outside of the county due to the lack of local STRTP

slots or the local programs' inability to meet the intensive needs of the youth. Given that STRTP capacity both locally and statewide is inadequate to meet the need, many youths end up waiting an average of 6-9 months at the Valley of the Moon Children's Center shelter until a STRTP placement can be secured. Opening a STRTP at Valley of the Moon will provide specialty mental health services to youth immediately rather than having them reside at the shelter without being able to receive time sensitive therapeutic services they need.

FY&C serves approximately 430 minor foster youth each year; on average, six to eight percent of those youth need intensive treatment services to address trauma, mental health needs, and/or substance use issues.

The proposed new program's initial start-up cost in FY 23/24 is \$689,392. After the STRTP is fully operational, the estimated gross expenditures (excluding reimbursements) are \$8,383,283 for the first year in FY 24/25, \$8,786,624 for the second year in FY 25/26, and \$9,138,089 for the third year of operation in FY 26/27. The funding sources are described in the fiscal narrative below.

Discussion:

Children in foster care are a uniquely vulnerable population with increased educational, behavioral, and mental health needs due to high rates of complex trauma that arises from adverse childhood experiences, such as child abuse, neglect or abandonment, exposure to domestic violence, or lack of parenting. These young people experience an increased number of risk factors that so often lead to a disproportionate number of negative outcomes as they become adults, including ongoing mental health needs, employment instability, and homelessness. These risk factors in turn lead to a disproportionate use of safety net services to support them while in adulthood.

The Human Services Department (HSD) Family, Youth & Children (FY&C) division has been implementing changes in the delivery of child welfare services to children in foster care based on California Assembly Bill 403 passed on January 1, 2016, which implemented Continuum of Care Reform (CCR). CCR includes a restructuring of California's foster care system to increase the accessibility of family homes for youth while they are in foster care. The law envisions that all children will live with committed, permanent, nurturing families as opposed to living long-term in institutional settings. It ensures that congregate care is a short-term, high-quality intervention that is part of a continuum of care for youth, with services and supports tailored to meet the individual needs of the children and families being served, with the ultimate goal of transitioning to a permanent family and/or preparing for a successful transition into adulthood.

Prior to CCR, congregate care group homes were licensed based on a level system that measured the intensity of services provided on a 14-point scale, with Level 14 group homes serving youth with the most intensive treatment needs. The passage of CCR phased out group homes operating below a Level 14 and established the STRTP license to provide intensive treatment to youth with the intention of transitioning them into family settings after 3-12 months of services. The STRTP is an upstream investment by providing intensive treatment in a therapeutic setting to support foster youth to address their complex needs so that their trajectory to successful adulthood is bolstered and transformed.

Prior to the passage of the CCR legislation, FY&C had already implemented significant changes to prioritize finding family settings and permanent homes for youth that did not need intensive treatment and who were in congregate care settings simply because no biological family had been identified as an option for them to live with. These changes reduced the number of youth residing in group homes from 120 in 2012 to 46 in 2016.

With the implementation of CCR in 2016, Sonoma County further reduced the number of youth being cared for in residential settings to ensure only youth that needed the most intensive therapeutic treatment were residing in STRTPs. In 2022, 33 youth received services at an STRTP, and this year 23 youth have received STRTP services so far.

FY&C serves approximately 430 minor foster youth each year; on average, six to eight percent of those youth need intensive treatment services to address trauma, mental health needs, and/or substance use issues. Despite its promise, CCR has not been fully realized locally or across the state. The demand for STRTPs far exceeds the statewide capacity and as such, Sonoma County youth with the most acute needs are frequently declined admission to STRTPs. At any given time, an average of 6 youth residing at Valley of the Moon Children's Center (VMCC) children's shelter are in need of a STRTP placement. They often wait at the shelter for many months without receiving these much-needed services.

Openings in STRTPs are rare and often local youth must be placed in other counties, making it much more difficult to maintain connections with friends and family, and often requiring youth to change schools and leave the community they know. FY&C collaborates with the local STRTPs run by nonprofit organizations to increase acceptance of Sonoma County youth, and while that has resulted in doubling the number of youth accepted locally from 10% to 20%, it still leaves 80% of foster youth being placed outside of the county. Opening a STRTP at VMCC will allow more youth to stay close to their families, friends, and everything they know, allowing for a better chance of family reunification.

As part of an extensive literature review and a robust stakeholder feedback process in 2016-2017, it was identified that a key aspect of meeting the vision of CCR was to open a STRTP to serve Sonoma County youth in their own community. Over the past six years, VMCC has been implementing the vision to support a full array of placement options for our youth.

VMCC will continue to provide emergency shelter care for foster youth that has existed in the County for the past 50 years. There has been a notable decrease in the volume of youth served at the children's shelter due to the focus on getting youth into homes. Since 2017, the VMCC children's shelter has gone from serving approximately 300 youth annually to serving approximately 115. Those 115 youth are truly in a state of emergency as they have either no identified family or friends that they can reside with and need emergency shelter care, or their needs are too intense for a family home setting.

The reduction in volume of youth served in the shelter has created the capacity for VMCC to operate a STRTP at the same facility. The residential building is set up in two separate wings which can house the shelter and the STRTP separately, while taking advantage of shared resources like the kitchen, onsite medical services, and administrative support. The existing, highly qualified and experienced staff will support both programs along with newly hired staff, ensuring that the top-quality care that children and youth already receive will continue in the STRTP.

STRTPs must go through a robust authorization process to become a licensed provider, which includes an application to the California Department of Social Services (CDSS), approval from the California Department of Health Care Services (DHCS), and accreditation from the Council on Accreditation. VMCC was issued a provisional STRTP license by CDSS on 6/05/2023. An application was submitted to DHCS on 8/01/23 for approval of the mental health services, and VMCC will enter into the Medi-Cal Site Certification process with

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Department of Health Services Behavioral Health (DHS-BH) once DHCS approves the program plan. This will allow the STRTP to deliver specialty mental health services to clients and the Mental Health Plan (DHS-BH) to submit Medi-Cal claims for those services. VMCC will seek national accreditation for the STRTP in the first year of operation.

The California Department of Social Services requires all STRTP programs to submit a “Program Statement” and “Plan of Operation” for the STRTP for approval. Both documents provide details of how the program will operate and meet the CDSS STRTP Interim Licensing Standards, California Code of Regulations-Title 22, Sections 80025 and 80026, and Health and Safety Code-Section 1502.4. Both documents are attached to this summary report. The Program Statement demonstrates the program’s understanding and ability to provide an integrated program of specialized and intensive care and supervision, with detailed descriptions of interventions, practices, and services to meet the individualized needs of youth. The Plan of Operation describes the administrative organization of the program including job descriptions, staff responsibilities, the plan for the supervision, evaluation, and training of staff, as well as details of the physical site location and facility. The Valley of the Moon STRTP Program Statement and Plan of Operation were formally approved by the State on June 5, 2023, and the program was subsequently provisionally licensed to operate.

FY&C utilizes a multi-disciplinary approach to identify and recommend a youth for placement in a STRTP. The multi-disciplinary team, called the Placement, Assessment, & Review Committee (PARC), meets weekly to discuss youth with the highest needs and how best to serve them. PARC is comprised of members of FY&C, DHS-BH, Probation, and a Wraparound services provider. Foster Family Agencies, North Bay Regional Center, and the other local STRTPs are invited when appropriate. When PARC recommends a youth for STRTP placement, they are referred to DHS-BH for an independent clinical assessment to determine if a residential treatment setting is appropriate. Once a STRTP placement is approved, each system splits the responsibility of resourcing the treatment needed. FY&C Child Welfare services pay for the board and care of the young person by paying a state determined placement rate and the Sonoma County Mental Health Plan will claim to Medi-Cal for approved services. DHS-BH will embed two behavioral health clinicians in the STRTP staff structure to provide specialty mental health services and will extend their compliance and privacy programs to the STRTP to ensure the program meets all quality and privacy protection standards.

The STRTP will provide a set of trauma-informed, culturally relevant, and age and developmentally appropriate services that address the impacts of trauma that prevent a youth from remaining with or returning to a family environment. Services are intensive and time-limited in order to support youth to develop the skills that they need to be able to return home as quickly as possible, including a very short-term assessment option for those who can return home more quickly. The STRTP programming includes family supports, such as family therapy, parent education and support groups, and family-inclusive activities that equip the family to prepare for the eventual return of their youth and promote family preservation. The ability to include families in treatment was one of the primary rationales for developing the STRTP locally where youth can remain near their families and other crucial supports.

HSD will come back to the Board with an update on the program progress and outcomes after one year of operation in summer 2025.

Strategic Plan:

Pillar: Healthy and Safe Communities

Goal: Goal 1: Expand integrated system of care to address gaps in services to the County’s most vulnerable.

Objective: Objective 2: Identify gaps in the Safety Net system of services and identify areas where departments can address those gaps directly, and seek guidance from the Board when additional resources and/or policy direction is needed.

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

Yes

An equity analysis was conducted using the Equity Toolkit. Child Welfare data for Sonoma County youth receiving services from FY&C was utilized in addition to national statistics for youth experiencing foster care services.

FY&C analyzed data from 2022 comparing overall population by race and ethnicity to Child Protective Services Hotline calls, investigations, substantiations, and entries into foster care. While 3.6% of the overall population of Sonoma County identifies as Black, 5.3% of youth are in Sonoma County foster care identify as Black. Likewise, while 0.8% of the overall population of Sonoma County identifies as Native American, 4.4% of youth in Sonoma County foster care identify as Native American. More reflective of the overall population are Hispanic youth; 42.1% of youth in Sonoma County foster care identify as Hispanic comparable to the 41.7% overall population of Sonoma County that identifies as Hispanic.

Further analysis showed that of the 30 youth that received residential treatment services in a STRTP over that same time period, 40% of youth identified as Hispanic (12 youth) and 13% of youth identified as Native American (4 youth). This smaller population of youth continues to reflect the trend of overrepresentation for Native American youth. The complete equity analysis can be found in Attachment 4.

Prior Board Actions:

7/14/2020: Approved HSD’s contract for consulting services to develop and apply for provisional licensure of a STRTP.

03/10/2020: Approved HSDs System Improvement Plan, which included goals in the area of developing a full continuum of placement options.

12/17/2019: Approved HSDs contract for consulting services to develop a STRTP at VMCC.

09/20/2016: Approved HSD’s CCR initiatives.

FISCAL SUMMARY

Expenditures	FY 23-24 Adopted	FY 24-25 Projected	FY 25-26 Projected
Budgeted Expenses	\$0	\$8,383,283	\$8,786,624
Additional Appropriation Requested	\$689,392	\$0	\$0
Total Expenditures	\$689,392	\$8,383,283	\$8,786,624
Funding Sources			

General Fund/WA GF	\$0	\$0	\$0
State/Federal	\$0	\$7,760,690	\$8,222,657
Fees/Other	\$0	\$550,000	\$550,000
Use of Fund Balance	\$689,392	\$72,593	\$13,968
Contingencies	\$0	\$0	\$0
Total Sources	\$689,392	\$8,383,283	\$8,786,624

Narrative Explanation of Fiscal Impacts:

FY&C currently utilizes State and Federal Foster Care Funding to pay a monthly STRTP placement rate of \$16,328 per youth for a STRTP placement. That rate will be paid to the VMCC STRTP for the 16 youth served by the program. Additionally, the specialty mental health services provided are reimbursable through Medi-Cal claiming. All STRTPs submit their claims for Medi-Cal reimbursable services through their county Mental Health Plan (DHS-BH). Claims are reviewed, verified, and then sent to DHCS for reimbursement. DHCS reimburses a portion of the cost of the specialty mental health Medi-Cal services and the local mental health plan (DHS-BH) supplies the local financial match. Currently, DHS utilizes 1991 Mental Health Realignment dollars and Measure O Mental Health & Substance Use Disorder Outpatient Services for the local match. DHS does not anticipate an increase in 1991 Mental Health Realignment usage in FY2023-2024 and will not require any additional General Fund allocation.

For Fiscal Year 23/24, HSD and DHS are requesting additional appropriations of \$615,492 and \$73,900 respectively, for program startup costs for supplies, staff training and prorated salary and benefits costs. The Residential Clinical Manager will start 2/20/24, the Behavioral Health Clinicians will start 5/7/24, the Supervising Children’s Residential Care Counselors and Children’s Residential Care Counselors will start on 5/28/24. HSD will use the fund balance from our Wraparound Reinvestment Fund to cover these startup costs for both HSD and DHS.

For Fiscal Year 24/25, the STRTP will have an administrative and operating budget of \$8,383,283 combined for both HSD and DHS. For the first year of operation, the STRTP budget is built on an assumed 75% occupancy rate. The projected STRTP placement rate revenue of \$2,492,306, along with the projected specialty mental health services Medi-Cal reimbursement revenue of \$2,636,953, will result in a remaining cost of \$3,254,024 for operating the STRTP. This will be offset with the \$2,131,431 of HSD 1991 realignment dollars that were previously allocated to the VMCC shelter budget, which will now be allocated to the STRTP budget instead. The remaining funding will be from DHS sources, including \$550,000 from Measure O and \$500,000 from 1991 Mental Health Realignment, with the remaining \$72,593 net cost covered by DHS mental health realignment fund balance. The STRTP will not require any additional General Fund allocation to operate.

In subsequent years, the STRTP budget is based on an 85% occupancy rate. For Fiscal Year 25/26, the administrative and operating budget is \$8,786,624. Of this total, \$2,984,497 is projected to be funded by the STRTP placement rate and \$2,988,547 funded by the specialty mental health services Medi-Cal reimbursement revenue. The remainder will be funded by \$1,749,612 from HSD 1991 realignment (that was previously allocated to the VMCC shelter budget), \$550,000 from Measure O, and \$500,000 from 1991 Mental Health Realignment, with the remaining \$13,968 covered by DHS mental health realignment fund balance. The STRTP will not require any additional General Fund allocation to operate in FY 25/26.

With the co-location of both the VMCC shelter and the STRTP, HSD is able to maximize the use of HSD 1991 realignment dollars by sharing the costs of the physical space as well as sharing a portion of administrative and operating costs across both programs. Further, the staffing for VMCC will be right-sized to meet the anticipated reduction of youth needing the emergency shelter services as the youth needing a higher level of care will now be served at the on-site STRTP. Eight staff positions currently budgeted for the children’s shelter will be moved to the STRTP starting in FY 24/25, and an additional four positions will be split between both programs, reducing the shelter budget by \$2,275,010.

FY&C has two dedicated fund balances that can only be used for Child Welfare services. These fund balances will be used to cover program startup costs or any unanticipated expenditures. The Wraparound Reinvestment Fund is a savings account for services directly related to serving foster youth. The IV-E Waiver Fund is comprised of monies saved from the Title IV-E Waiver FY&C participated in from 2012-2019. Funds saved during this period can only be used for services directly related to serving foster youth.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)
Residential Clinical Manager	\$9,736.41 - \$11,835.71	1.0	0.0
Supervising Children's Residential Care Counselor	\$7,842.35 - \$9,532.92	6.0	0.0
Children's Residential Care Counselor II	\$6,263.10 - \$7,611.03	14.0	0.0
Residential Service Worker	\$3,930.74-\$4,779.50	1.0	0.0
Social Service Worker II	\$6,193.53 - \$7,527.55	1.0	0.0
Supervising Accountant	\$8,284.13 - \$10,070.35	1.0	0.0
Accountant II	\$6,727.48 - \$8,176.29	1.0	0.0
Accounting Technician	\$5,315.20 - \$6,459.64	1.0	0.0
Behavioral Health Clinician	\$7,896.27 - \$9,597.27	2.0	0.0
Staff Nurse II	\$9,270.29 - \$11,268.71	0.85	0.0
Nurse Practitioner/Physician Assistant	\$11,738.31 - \$14,267.20	0.25	0.0

Narrative Explanation of Staffing Impacts (If Required):

The STRTP staffing model is based on required staff to youth ratios, clinical service provision, and administrative oversight required in the STRTP Interim Licensing Standards. The STRTP staffing model will optimize current positions at the VMCC to support the operational and quality assurance needs of the program as well add additional positions to meet the licensing requirements of the STRTP. Eight Full-Time Equivalent (FTE) Children’s Residential Care Counselors currently assigned to the VMCC shelter will be transferred the STRTP. A new classification, Residential Clinical Manager, has been created to manage the program. The Residential Clinical Manager position was approved and adopted by the Board of Supervisors on 7/19/22. The staffing model also includes built in fiscal support to ensure that the blending of funding identified consistently matches, and does not exceed, the projected costs of the program. All new positions

proposed for the program will be 3-year time-limited positions. This timeframe gives HSD a fixed timeframe to ensure that the program provides high-quality service provision and that the fiscal model can support the staffing and operational costs of the program. As such, 29.10 FTE 3-year time-limited positions are proposed to meet the programmatic needs of the STRTP.

26 FTE HSD Positions:

- 1.0 FTE Residential Clinical Manager
- 6.0 FTE Supervising Children's Residential Care Counselor
- 14.0 FTE Children's Residential Care Counselor II
- 1.0 FTE Residential Service Worker
- 1.0 FTE Social Service Worker II
- 1.0 FTE Supervising Accountant
- 1.0 FTE Accountant II
- 1.0 FTE Accounting Technician

3.1 FTE DHS Positions:

- 2.0 FTE Behavioral Health Clinician
- 0.25 FTE Physician Assistant
- 0.85 FTE Staff Nurse II

HSD is entering into a Memorandum of Understanding (MOU) with DHS to fund the 2.0 FTE Behavioral Health Clinician positions that will provide specialty mental health services on site at the STRTP. HSD will expand on the MOU currently in place with DHS to increase the staff time for the Physician Assistant from 0.50 FTE to 0.75 FTE and the Staff Nurse II position from 0.15 FTE to 1.0 FTE to provide onsite medical services for both the VMCC shelter and the STRTP.

Attachments:

- 1) Budget Resolution
- 2) HSD Personnel Resolution
- 3) DHS Personnel Resolution
- 4) Racial Equity Analysis
- 5) Contract Amendment - The Indigo Project
- 6) VMCC STRTP Program Statement
- 7) VMCC STRTP Plan of Operations
- 8) VMCC Program License
- 9) STRTP Multi-Year Funding Plan
- 10) DRAFT Memorandum of Understanding between HSD and DHS

Related Items "On File" with the Clerk of the Board:

None