

**ORIGINAL  
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12 CALIFORNIA ALLIANCE OF CHILD AND FAMILY  
SERVICES

14 UNITED STATES DISTRICT COURT  
15 NORTHERN DISTRICT OF CALIFORNIA  
16 SAN FRANCISCO DIVISION

**VRW**

**CV 09 4398**

18 CALIFORNIA ALLIANCE OF CHILD AND  
FAMILY SERVICES,

No.

19 Plaintiff,

**DECLARATION OF ROBERT  
DI STEFANO IN SUPPORT OF  
PLAINTIFF CALIFORNIA  
ALLIANCE OF CHILD AND  
FAMILY SERVICES' EX PARTE  
APPLICATION FOR TEMPORARY  
RESTRAINING ORDER AND  
ORDER SHOWING CAUSE  
REGARDING PRELIMINARY  
INJUNCTION**

20 v.

21 JOHN WAGNER, Director of the California  
Department of Social Services, in his official  
22 capacity; GREGORY ROSE, Deputy Director of  
the Children and Family Services Division of the  
23 California Department of Social Services, in his  
official capacity,

24 Defendants.

1 I, Robert Di Stefano, declare as follows:

2 1. I am a resident of the State of California and am over the age of 18. I am  
3 submitting this declaration in support of California Alliance of Child and Family Services'  
4 ("Alliance") Temporary Restraining Order Application. Each of the facts stated herein are based  
5 on my personal knowledge unless I state that I know the facts based on information and belief.

6 2. I am currently the President and CEO of ChildNet Youth & Family Services. I  
7 have held the position for twenty-five years. As President and CEO, my duties include oversight  
8 of the organization's budget.

9 3. ChildNet Youth & Family Services previously operated a group home for boys.  
10 That facility, the Long Beach Youth Home, began operating in 1970 and closed in October 2007  
11 It had the capacity to provide services for forty boys.

12 4. The majority of the funding to operate the Long Beach Youth Home came from  
13 the California Department of Social Services ("DSS"), which made foster care maintenance  
14 payments as is required under the federal Child Welfare Act and California's Welfare and  
15 Institutions Code.

16 5. These foster care maintenance payments were used to provide the most basic  
17 necessities to the foster care children at Long Beach Youth Home. Among other things, Long  
18 Beach Youth Home used the funds to provide food, shelter, daily supervision, school supplies  
19 and many other essential items as required under the federal Child Welfare Act and California  
20 Welfare and Institutions Code.

21 6. In recent years, the cost of providing the basic necessities required under the  
22 federal Child Welfare Act and California Welfare and Institutions Code has increased  
23 significantly. At the same time, the reimbursement rates have remained almost the same. As a  
24 result, the reimbursement rates from DSS no longer cover the costs of providing the required  
25 basic necessities to the foster care children.

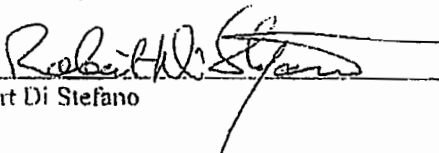
26 7. At the time of its closure Long Beach Youth Home was projected to have a  
27 revenue deficit of \$750,000 annually. The deficit was due exclusively to unreimbursed inflation  
28 related expenses from 1990 to 2007. If we had been reimbursed for the cost of inflation during

1 those years we would have had an increase in our annual revenue of over \$800,000, more than  
2 enough to cover state mandated expenses for the care of placed children

3 § Long Beach Youth Home's closure was a direct result of the revenue deficit  
4 caused by the state's failure to adjust reimbursement rates for inflation. In 2007, the ChildNet  
5 Youth & Family Services board of directors reviewed financial projections and decided that we  
6 would ultimately be unable to cover such a large shortfall with fundraising. In February of 2007  
7 we decided to close Long Beach Youth Home and we completely ended services in October  
8 ChildNet Youth & Family Services no longer provides group home services.

9  
10 I declare under penalty of perjury under the laws of the United States of America  
11 that the foregoing is true and correct

12 Executed on July 23, 2009, at Long Beach California

13  
14   
15 \_\_\_\_\_  
16 Robert Di Stefano