



May 4, 2023

Angie Schwartz
Deputy Director, Children and Family Services Division
Department of Social Services
744 P Street
Sacramento CA, 95814

Tyler Sadwith
Deputy Director, Behavioral Health
Department of Health Care Services
1501 Capitol Avenue
Sacramento, CA 95814

Dear Deputy Director Schwartz and Deputy Director Sadwith,

On behalf of the California Alliance of Child and Family Services, representing over 160 nonprofit community-based organizations providing services to children, youth, and families across the state in child welfare, mental health, juvenile justice, and education systems, we are concerned with the impending expiration on June 30, 2023 of waivers of time of provisionally licensed Short-Term Residential Therapeutic Programs (STRTP) and the impacts of the closure of these programs on an already severely limited capacity of therapeutic services for foster youth, and the youth that will have to move when the closures occur.

As of mid-April 2023, a total of 13 STRTPs, licensed to serve up to 83 total youth, remain provisionally licensed on a waiver of time with an expected expiration of June 30, 2023. In anticipation of their provisional license expiration, several facilities have communicated plans to close and/or convert to serving other populations. This loss of STRTP treatment capacity will be in addition to the recent loss of 750 licensed STRTP bed capacity between December 2022 and January 2023 because of facility closures, capacity reductions, and program transitions by providers working to avoid Institute for Mental Disease (IMD) determination. This is compounded on top of additional providers that have closed, are closing (3 additional organizations in the next month that we are aware of) or did not make the transition to STRTPs.

While we recognize the intentional shifts away from congregate care and toward community- and family-based care, it is important to note that these reductions in residential treatment capacity are occurring simultaneous to reports by county child welfare directors of hundreds of foster youth¹ in out-of-home, unlicensed settings, including child welfare offices, hotels, and converted juvenile justice facilities² due to a shortage of treatment and placement options available to meet youth needs. Further, in addition to the crisis

¹ Testimony by Cathy Senderling during Assembly Budget Subcommittee: “From October 2022, point in time data from the UC Berkeley. Shelter care populations in those counties that operate shelters have grown. Nearly 700 foster youth were considered ‘runaway status’, mostly from residential care settings and about another 400 youth were in unlicensed settings – juvenile halls, hospitals, hotels, or offices... Surveying counties, based on 33 counties so far, more than 500 foster youth at some point in 2022 were in an unlicensed setting.”

² Sacramento Bee: [“Sacramento has foster children living in cells”](#). April 10, 2023.

of treatment and placement resources, the closure of these provisionally licensed facilities threatens the stability of the youth currently in care with providers: separating young people from established relationships and uprooting them from familiar places.

A number of permanently and provisionally licensed providers continue to face challenges with presumptive transfer and mental health contracting, including placing county mental health plans (MHP) that will not establish contracts for Specialty Mental Health Services (SMHS) with out-of-county STRTPs. This has been a primary barrier for several STRTPs pursuing Mental Health Program Certification and permanent licensure. If programs serving youth from counties across the state are required to close or limit their admission decisions based on contracting, the statewide capacity for STRTP intervention will likely continue to shrink. Without available alternatives, this may also directly impact the number of young people without appropriate places to access care and treatment. We believe that AB 1051 (Bennett, Statutes of 2022) is a solution to this issue by having the placing county MHP retain responsibility for arranging and paying for SMHS for foster youth placed out of county into STRTPs.

However, additional time is needed to effectively implement AB 1051. The County Behavioral Health Directors Association (CBHDA)'s joint power authority partner, the California Mental Health Services Authority (CalMHSA) has announced that they are providing updates to the financial portal used to transmit funding, which will take some months to accomplish, and will streamline payments between counties for services rendered through presumptive transfer.

The California Alliance recommends:

1. Delay implementation of AB 1051 (Bennett) to July 1, 2024 through the state budget process, and grant an additional waiver of time to provisionally licensed STRTP providers to correspond to the delayed implementation of AB 1051 on July 1, 2024.
2. If provisionally licensed providers will not be offered an additional waiver of time, all youth currently in care at STRTPs with planned closures should be referred for Supportive Transition Services modeled after the Expedited Transition Services made available to foster youth returning to California from out-of-state.

Sincerely,



Tyler Rinde
Deputy Director of Child Welfare Policy

cc: Dianna Wagner, Assistant Deputy Director, CDSS
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