



2024-2025 Santa Clara County Civil Grand Jury

Falling Through the Cracks: Failing Santa Clara County's High-Needs Youth

June 17, 2025

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SUMMARY

The Continuum of Care Reform model in California is a system of reforms in child welfare designed to prioritize family-based care and reduce the reliance on congregate care settings for children in foster care. The goal is to ensure that all children live with committed, nurturing, and permanent families, while providing the necessary support and services for their well-being. The County of Santa Clara (County) began implementing California's Continuum of Care Reform for child welfare in 2017. The County's Department of Family and Children's Services (DFCS) has struggled with implementing its vision of the full Continuum of Care Reform model for high-acuity youth in foster care ever since.

In September 2024, the Board of Supervisors (Board) challenged DFCS and the Behavioral Health Services Department (BHSD) to create a better and more permanent in-county solution for high-acuity youth. In February 2025, a plan to increase temporary placement and residential treatment options for high-acuity youth was presented to the Board.

The 2024-25 Santa Clara County Civil Grand Jury (Civil Grand Jury) commends DFCS and BHSD for creating a comprehensive plan for this small yet complex population of youth. However, significant concerns remain about the County's ability to implement this new plan given the past struggles to implement a complete Continuum of Care Reform.

BACKGROUND

In 2015, the State of California (State) passed legislation that comprehensively reformed placement and treatment options for youth in foster care. Assembly Bill 403, known as the Continuum of Care Reform, was designed out of an understanding that children who must live apart from their biological parents do best when they are cared for in committed, nurturing foster homes (California Department of Social Services, 2025). The legislation provides a statutory and policy framework to ensure that services and support provided to the youth and their families are tailored toward the goal of maintaining a stable, long-term living arrangement.

As part of this initiative, the State sought to phase out use of institutional group homes, which were generally used as placements of last resort for older youth for whom no family-based placement could be identified (Terao, Little, and Le, 2024). The group home model, while providing additional placement options for older youth, historically did not result in good long-term outcomes. Children often spent considerable time in programs that offered limited therapeutic services and were often located in other counties, which impacted the ability of parents to have meaningful visitation. Many of these homes also failed to create a safe and appropriate environment for the children and youth in their care. For these reasons, the State created a more stringent regulatory framework for the few remaining group-based care models, allowing placements in congregate care facilities only as short-term, therapeutic interventions, and only for children and youth who met medical criteria for such a placement. The State's newly adopted model for out-of-home placement in congregate care settings became known as the Short-Term Residential Therapeutic Program (STRTP).

Efforts to implement the Continuum of Care Reform in the County began in earnest in 2017 (Terao et al, 2024). While the State reform efforts drove important and needed changes, the move away from group homes also decreased the number of placement options, especially those that were viable for some children and youth with the highest needs. The County began working with various providers to develop STRTPs that could address the needs of high-acuity youth in foster care. Many of these youth have multiple complex behavioral challenges arising from trauma, are struggling with substance abuse disorder or are dually diagnosed, are suffering from a mental health disorder or developmental disability, and/or are victims of commercial sexual exploitation, making it extraordinarily challenging to find placements for them. STRTPs would ensure a more individualized approach for these youth and include mental health services, counseling, and trauma-informed care. The first licensed STRTP in Santa Clara County was established in 2017 (Terao et al, 2024).

Although the County has been able to provide family-based placements for most youth, challenges remain with finding sufficient placements for older high-acuity youth. DFCS and BHSD estimate that annually, there are approximately 32 youth who cannot be placed in or maintain stable

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placement in family-based settings (Terao et al, 2024). Like most systems of care statewide and nationally, it has been difficult for DFCS and its partners to recruit, train, and retain resources willing to operate specialized foster care homes for older youth. Additionally, older youth with the most serious mental health needs typically require placement in STRTPs, and a lack of capacity creates a bottleneck in placement.

When STRTPs were initially implemented under the Continuum of Care Reform, they unfortunately retained some characteristics of older congregate care models. Because of their contracts with the County, community-based organizations (CBOs) were required to staff and maintain facilities at full capacity, but reimbursement was only provided based on the actual number of youth receiving services. This is referred to as a fee-for-service model. CBOs found it difficult to sustain financially viable programs (Terao, Little, and Le, 2025). Ultimately, each of the CBOs operating STRTPs in the County concluded they could not continue to provide the level of care needed to effectively support the youth referred to the programs. The last remaining STRTP in the County closed in 2020.

Since then, DFCS and BHSD have placed youth in STRTPs (or other similar programs) in other counties. Although the out-of-county programs meet a critical need, the programs are in high demand statewide and may not always be available or willing to accept youth from Santa Clara County. Moreover, youth in out-of-county placements have a more difficult time maintaining or accessing their current support networks. A better and more permanent in-county solution needs to be found for these high-acuity youth.

METHODOLOGY

The Civil Grand Jury conducted a comprehensive investigation into the County's implementation of services for high-acuity youth. The Civil Grand Jury interviewed numerous County officials and representatives from community-based partners who provide services to high-acuity youth under contract with the County. The Civil Grand Jury reviewed reports issued by the Juvenile Justice Commission and publicly available presentations made to the Board by DFCS and BHSD. The Civil Grand Jury also studied records from both the County and the State, including budgets and licensing documentation.

INVESTIGATION

The County's Continuum of Care Model for High-Acuity Youth

The County has worked to establish a continuum of placement options for high-acuity foster youth that extends from the first point of contact until a child secures a long-term, stable living arrangement.

The entry point for youth in need of services in the County is the Welcoming Center. The facility is licensed to accept children from birth to eighteen years of age for up to 24 hours to provide immediate support, assessment, and referral to appropriate resources. During this time, DFCS coordinates their subsequent placement. Most youth move to a Transitional Residential Shelter Care Facility (TrSCF), a type of short-term living arrangement in a residential setting, when a family-based option is not available. TrSCFs are intended to provide a safe, structured environment as children and youth transition from a crisis situation to more permanent housing.

After leaving the TrSCF, placement is dependent on both availability and the acuity of needs. Children and youth who have moderate to high levels of emotional, behavioral, or psychological needs requiring more intensive support may be placed in an Intensive Services Foster Care (ISFC) or ISFC Plus (ISFC+) home. These homes offer in-depth treatment in a home setting with support from foster parents and CBO staff who have been specially trained to manage intense behavioral challenges and provide trauma-informed care for high-acuity youth. Eligible youth for whom a placement in an ISFC or ISFC+ home is not available, or who are in an acute crisis and need immediate stabilization, may be placed in an STRTP. STRTP facilities provide the highest level of intensive, specialized care and offer 24/7 therapeutic support in a structured and controlled environment. STRTPs are often used as an intervention setting to stabilize youth before they can move to a more long-term, family-based placement.

Figure 1 below illustrates the various pieces of the overall continuum of care in the County. High-acuity youth are not candidates for Resource Family Approval Homes in this model.

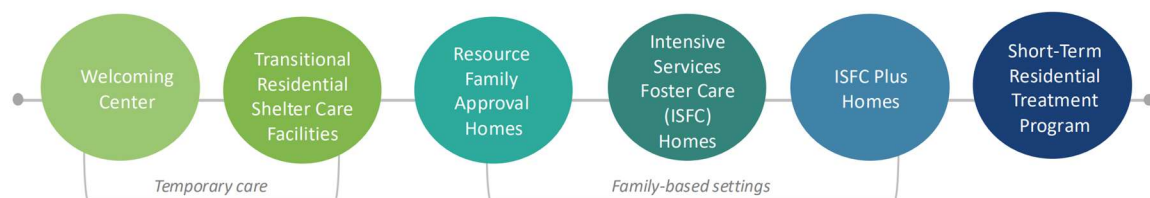


Figure 1: Continuum of care in the County of Santa Clara (Presentation to Board of Supervisors on February 25, 2025, entitled, “Increasing Temporary Placement and Residential Treatment Options for Youth with High Needs”).

Poor Track Record

The County, and more specifically DFCS, has struggled for at least eight years to effectively implement a continuum of care model for high-acuity foster youth, particularly older youth.

The County had some early momentum when it became among the first in the State to have a licensed STRTP. By early 2020, the two STRTPs run by CBOs had closed. This left the County with one highly imperfect solution for youth who needed care at a STRTP: send them out of Santa Clara County, making it more difficult for families to visit and for staff to meet with the youth. Today, the County remains the largest county in the state without an in-county STRTP (California Department of Social Services, 2014).

As noted by a County Supervisor at a November 5, 2024, meeting, DFCS has been unable to secure an adequate supply of ISFC+ homes even though it has been aware of specific recruiting barriers for years.

There has been no shortage of attention to these issues. The Juvenile Justice Commission issued at least three reports calling for more permanent solutions for high-needs foster youth starting in 2022 with specific recommendations (Juvenile Justice Commission, 2022, 2023, 2024). The Juvenile Justice Commission is a state-mandated court-appointed authority whose purpose is to inquire into the administration of the juvenile court law in the County. The media investigated the conditions at unlicensed residential homes operated by DFCS known as scattered sites (Nickerson and Prodis Sulek, 2024). In September 2024, the Board requested a 30, 60, and 90-day plan to create a STRTP within the County (Arenas, 2024). That request resulted in the current plan to increase temporary placement and residential treatment options for high-needs youth.

Given DFCS's struggle to implement its own vision for a continuum of care in the past, the Civil Grand Jury has significant concerns about the timely completion and tracking of the plan presented to the Board in February 2025, which the Civil Grand Jury details below. That plan will require a sustained, concentrated effort by multiple departments working together on the same priorities at the same time with the same level of urgency.

Historical Challenges with TrSCFs

The County opened unlicensed facilities, known as scattered sites, to address the shortage of placements available for high-needs youth. This occurred after the State mandated the closure of congregate care group homes in 2017. These scattered sites, staffed by rotating shifts of DFCS employees, were, in effect, small group homes for the most vulnerable and hard-to-place youth.

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Starting in early 2020, the State expressed concerns about the County's use of unlicensed homes. The County noted then that the need for the scattered sites was created in large part by the State's rapid elimination of congregate care without sufficient solutions or licensing types for high-acuity youth. By 2022, the County had submitted a revised plan to the State to license three scattered sites. These sites would eventually be licensed as TrSCFs, but not until 2024.

Since 2020, five of the unlicensed scattered sites investigated by the Bay Area News Group were the source of 632 missing children reports, 20 psychological breakdowns, 13 assault and battery incidents, one alleged rape, and one fentanyl overdose (Hase, 2024).

The Juvenile Justice Commission found that even though the sites were considered a short-term solution, most youth stayed longer because sufficient placements were not available. Youth are also allowed to refuse placement. Among the problems cited by a 2024 Juvenile Justice Commission report were inadequate staffing and supervision, constant turnover of staff and supervision, lack of behavioral health services for youth at the sites, complete lack of programming, and the finding that neither the staff nor the youth were safe.

After years of attempting to get the sites licensed by the State, the State notified the County in an August 2023 letter that the County was operating two facilities in violation of the law. The State noted that the County is required by law to place children only in licensed facilities and that continued operation without a license could result in civil or criminal action against DFCS. In reply, the County in September 2023 reported to the State that it had submitted additional licensing applications for the two sites identified in the State's letter (Prodis Sulek, 2024).

The County finally obtained a TrSCF license for one home in August 2024 for up to six youth. A second home for up to six youth was licensed in December 2024. The two state-licensed TrSCFs are staffed by DFCS and provide shelter and mental and behavioral health services. But without in-county STRTPs or sufficient ISFC+ homes, youth will continue to stay longer than licensing allows at these sites.

Historical Challenges with ISFC+ Homes

ISFC+ homes provide the highest level of family-based care available to high-needs youth. Given that youth do best in family settings, these homes also are the County's preferred longer-term placement for most high-acuity youth (Terao et al, 2025). Without enough homes, some youth awaiting placement are kept at the County-run TrSCFs much longer than the 10-day stays allowed for these group facilities. Some of these youth have stayed for months.

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Since the establishment of ISFC+ homes, the County has been unable to secure all 27 homes called for in its contracts with third-party providers. As a result, this component of the continuum of care for high-acuity youth has been incomplete (Terao et al, 2025).

The primary stumbling block, according to third-party providers and the County, has been that the total financial package for those families who choose to take on this challenging, 24/7 work has not been sufficient to draw the quantity of required personnel. The package includes a small housing stipend, generally \$1,000-\$2,000 a month, which does not go far in one of the most expensive housing markets in the nation.

Historical Challenges with STRTPs

While the County was able to contract with two CBOs to open STRTPs, both agencies struggled to cover the costs of providing specialized, intensive care for high-acuity youth under the terms of their contracts with the County. STRTPs require round-the-clock staffing, specialized therapy, and individualized services, which are costly to provide. The CBOs operated in a fee-for-service contract and could not sustain the programs. Both in-county STRTPs were closed by 2020.

The February 2025 Plan

In September 2024, the Board requested that DFCS and BHSD develop a plan to address the deficient state of the continuum of care for high-needs youth, specifically regarding the lack of an in-county STRTP. On February 25, 2025, a report entitled “Increasing Temporary Placement and Residential Treatment Options for Youth with High Needs” ([Appendix 1](#)) was presented to the Board, laying out a multi-pronged, multi-year approach to ensure delivery of a continuum of care for high-acuity youth. The report focused on three main issues:

1. Increasing Availability and Services at TrSCFs

Planned improvements for TrSCFs include increased staffing with additional experienced personnel who can address some of the complex needs of the youth, and improved daily communication with the entire team to mitigate issues that may arise.

In the February 2025 plan, County staff noted that DFCS had recently initiated an “all-hands-on-deck” approach at the TrSCFs, which involves daily huddles and weekly meetings to coordinate care and ensure youth and staff are receiving additional support. The Civil Grand Jury strongly recommends the huddle process continue indefinitely.

The plan also acknowledged that the TrSCFs require more experienced staff. DFCS has pledged to add at least one more staff member at each shelter with additional training and experience in managing complex behavior. DFCS and BHSD are also working to amend the current CBO

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contract to assign clinicians to work at the TrSCF sites. However, the plan contains no timeline for recruiting and hiring new staff members.

Finally, DFCS needs to ensure that all TrSCF care sites are appropriately licensed.

These steps are essential for the TrSCFs to be effective temporary shelters for high-acuity youth awaiting longer-term placements.

2. Increasing Availability of ISFC+ Homes

The family-based setting provided by ISFC+ homes is a key component in maintaining longer-term care for high-acuity youth. The availability of such homes has been dependent on the recruiting efforts of three CBOs serving the County. As of February 2025, the County had only 14 of the planned 27 ISFC+ homes in operation. Some of those 14 foster parents are in homes provided by CBOs, while others are in homes they rent or own. To increase the supply of ISFC+ homes, the County has promised to coordinate with CBOs to recruit foster parents.

One of the critical factors contributing to the difficulty in recruiting new families is the high cost of local housing. The plan addresses this by proposing that the County or CBOs acquire or lease homes and provide those to ISFC+ parents at no charge. These are referred to as “hosted homes.” The provision of hosted homes is critical to increasing the number of ISFC+ homes. Having the option to live in housing free of charge would be a significant factor in attracting more families.

Until the County is able to procure homes for all ISFC+ parents, it should immediately provide an increased housing stipend to any existing ISFC+ families who are not already in hosted homes. Additionally, the financial package for ISFC+ parents should be reviewed by DFCS annually.

A second factor contributing to recruiting difficulties is the lack of quality support for caregivers. The intensity of the care provided by ISFC+ parents for high-acuity youth is both necessary and difficult to maintain. The plan includes providing additional training on engagement, permanency, and relationship building to all members of the care team with the intention of reducing the burden on caregivers.

Acknowledging the need to fill in gaps for support of a successful program, the County formed an “ISFC Workgroup” (Terao et al, 2025). The workgroup is comprised of key staff from the Social Services Agency, DFCS, BHSD, and the Probation Department, along with representatives from Foster Family Agencies, mental health contractors, and caregivers. The workgroup is expected to meet for the next 12 months to propose, refine, and implement recommendations aimed at recruiting and retaining caregivers. The Civil Grand Jury recommends that this workgroup be continued indefinitely as a resource to manage ISFC+ recruitment and emerging issues with semi-annual reports to the Board.

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The Civil Grand Jury also noted that the plan lacks a timeline for increasing the recruitment of ISFC+ families. The sooner more ISFC+ families can enter the pipeline for approval, the sooner the number of overstays at the TrSCF homes can be minimized.

3. Establishing Enhanced STRTPs (E-STRTPs) within the County

An E-STRTP is a STRTP for one or two youth. The County studied STRTPs in other counties and analyzed failures of earlier efforts to run in-county STRTPs to inform its recommendations. By establishing four E-STRTPs, each with only two beds, the County would have an in-county capacity of serving eight youth at any given time. This will allow the County to leverage the experience of the CBOs while growing expertise within the County and providing additional flexibility in serving the range of potential issues that arise with high-acuity youth. More importantly, the payment structure for the CBOs will be set up in a way that ensures the financial viability of the partnership between the CBO and the County. Instead of a fee-for-service model, the County will adopt a cost-based payment structure for CBOs.

The County projected that the annual operating cost for a County-run E-STRTP would be \$4.3M; this compares with a projection of \$2.7M for CBO-run E-STRTP ([Appendix 1](#)). This cost differential is primarily due to the County's higher personnel costs.

In response to a posted Statement of Qualifications for CBO-operated E-STRTPs, the County received one proposal for two facilities, with each facility housing no more than two youth at a time. The CBO indicated that its first E-STRTP could begin serving youth in Spring 2026. A second E-STRTP would open six months later. The feasibility of youth being received in Spring 2026 depends on several factors, including the CBO acquiring or leasing a location, completing renovations and facility repairs, hiring and training staff, and receiving a State license for the E-STRTP.

A County-operated E-STRTP could begin receiving youth in Fall 2026. The County would have to complete tasks like those of a CBO. However, a County-operated E-STRTP will take longer to establish because the County must create new job classifications and recruit qualified workers while applying for a STRTP license, which it has not previously held. The County states that if selected properties require significant (over \$200,000) renovations or modifications to meet licensing standards, the timeline could be extended six months or more ([Appendix 1](#)). Two new staffing positions will be needed for a County-operated E-STRTP. Time estimates for creating these job classifications are six to eleven months; that does not include the actual recruitment period to find the specialized staff, nor the required training and licensing.

Further Analysis of the Plan

Multiple CBOs needed

All in-county E-STRTPs will be required to have strong “no rejection” policies, which would require that no youth is denied admission or prematurely discharged unless the placement is no longer medically necessary, or the youth poses an unresolvable safety risk despite multiple mitigation efforts. This is a modification of past operating parameters.

The County acknowledges that a CBO-operated E-STRTP would be about half the cost of a County-operated E-STRTP ([Appendix 1](#)). Yet, the need to have an available backup facility if any CBO becomes unable to continue operations is realistic. This approach will enable the County to eventually assume operations of a CBO-run E-STRTP or transfer operations to another CBO if a provider ceases operations.

To date, the County has received one response from a qualified provider. The County should recruit additional E-STRTP CBO-based provider(s) to ensure that it has multiple operators. At that point, the need for E-STRTP backup would be fulfilled, allowing the County to re-examine the need for a County-run E-STRTP.

Single Point of Accountability

In addition to a functioning workgroup, it is crucial for a high-level leader to maintain visible engagement and to be responsible and accountable for sustained forward movement and success of all programs. History has shown that the numerous departments involved in supporting these programs has led to a sub-optimal outcome for high-acuity youth. There has been a lack of collective urgency and shared priorities across departments. It is essential to have a high-level leader with the accountability and authority to ensure multiple departments are working together to meet timelines and milestones.

Funding Risks

All of this comes at a time of growing uncertainty over the flow of federal and state funding. The County is relying in part on receiving funding from the State’s “Innovative Model of Care” program for the cost of E-STRTPs. If federal funding to the State is cut, it is possible that the State could reduce its funding in certain areas.

Further, the County has not committed to multi-year or ongoing funding. The plan presented to the Board will take more than a year to implement. Ongoing funding and additional financial support are essential for the County to implement the plan outlined by DFCS and BHSD.

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DFCS Should Know the Full Cost of Providing the Continuum of Care

In investigating the delivery of services for high-acuity youth in the County, the Civil Grand Jury discovered that the cost of services to high-acuity youth is accounted for at a department level and not at a program level. By this, the Civil Grand Jury means that while services for high-acuity youth are provided by numerous County departments (including but not limited to DFCS and BHSD), the County does not collect and review the full cost of delivering these services.

The Civil Grand Jury is concerned that without knowing the full cost of services provided to high-acuity youth, including all County departments and third-party providers, it is not possible to assess if prudent financial decisions are being made by the County in serving these youth.

CONCLUSION

The County, and more specifically DFCS, has long faced challenges in developing and maintaining an effective continuum of care for high-acuity youth in foster care, with specific difficulty in addressing the needs of older youth. For years, the County relied on unlicensed care, was unable to secure enough ISFC+ homes, and had no in-county STRTP. Their goals were clear, yet they failed to execute.

The plan presented to the Board in February 2025 represents a hopeful step forward, offering a more comprehensive strategy to address these issues. However, the Civil Grand Jury has serious reservations about the County's ability to execute this plan effectively and within the anticipated timeline.

The County will need to overcome significant operational and coordination challenges to be successful. Specifically, multiple County departments, each with its own mandates and resources, will need to collaborate closely and maintain a sustained, focused effort over time. The implementation of the plan will require interdepartmental cooperation and the dedication of sufficient resources, training, and oversight to ensure success. It will also require a senior leader with responsibility and accountability for delivery of the plan.

Achieving these goals requires commitment, transparency, and a willingness to learn from past mistakes. If the County can foster a culture of accountability and collaboration, there will be substantial improvement in the care and support of the most vulnerable youth.

FINDINGS AND RECOMMENDATIONS

Finding 1

The Civil Grand Jury commends DFCS and BHSD for producing a complete continuum of care plan for high-acuity youth that addresses the establishment of E-STRTPs within the County, enhances TrSCF staffing, and adds more ISFC+ homes.

Recommendation 1

No recommendation.

Finding 2a

The County has underperformed in delivering a complete continuum of care for high-acuity youth.

Finding 2b

The current plan was only produced following a referral from the Board after years of failing to provide an in-county STRTP.

Recommendation 2

No recommendation.

Finding 3

Because no one person has the responsibility and authority for the delivery of a continuum of care for high-acuity youth, there is no singular sense of urgency or coordinated priorities across departments to deliver solutions.

Recommendation 3a

The County should identify one senior leader with responsibility and authority over all departments involved to deliver on the features of the proposed plan. The senior leader should be identified by September 1, 2025.

Recommendation 3b

The County should produce a comprehensive timeline and provide quarterly public updates to the Board starting in October 2025. Updates should include tracking of progress and setbacks against milestones.

Recommendation 3c

The “ISFC Workgroup” should be permanent and submit semi-annual reports to the Board starting in December 2025.

Finding 4

There is no solution in the February 2025 plan to address the high cost of housing in the short term for existing ISFC+ families who are not in hosted homes.

Recommendation 4a

The County should provide existing ISFC+ parents who are not in hosted homes with an increased housing stipend by August 1, 2025.

Recommendation 4b

The ISFC+ caregiver financial package should be reviewed annually for cost-of-living adjustments starting September 1, 2025.

Finding 5

For many years, the County experienced significant challenges with its TrSCFs, formerly known as “scattered sites.” The plan does not include a timeline for the County to add at least one staff member at each TrSCF with additional training and experience managing complex behaviors of the youth in these homes.

Recommendation 5

By September 1, 2025, the County should provide a detailed timeline to add skilled staff members to TrSCFs. The timeline should include all critical path milestones.

Finding 6a

The County’s past experience demonstrates it needs more than one contractor providing E-STRTPs. Having multiple providers is a critical component of the plan to provide E-STRTPs.

Finding 6b

The County’s timeline for establishing its own E-STRTP is significantly longer when compared to a CBO.

Recommendation 6

The County should review its processes to determine how it can launch its own E-STRTP more quickly and at a lower cost.

Finding 7

The establishment of the County-based E-STRTP requires multi-year funding from the County.

Recommendation 7

The County should make a multi-year financial commitment starting in FY 2025-26 to fund the E-STRTP component of the plan regardless of State or federal funding.

Finding 8

The County does not know the total cost of the continuum of care across multiple departments for high-acuity youth and therefore cannot determine how effectively taxpayer dollars are being spent.

Recommendation 8

The County should compile all costs across departments, programs, and contracts related to the continuum of care for high-acuity youth and report annually to the Board starting December 31, 2025.

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REQUIRED RESPONSES

Pursuant to California Penal Code § 933(b) et seq. and California Penal Code § 933.05, the County of Santa Clara 2024-2025 Civil Grand Jury requests responses from the following governing body:

Responding Agency	Findings	Recommendations
The County of Santa Clara	1, 2a, 2b, 3, 4, 5, 6a, 6b, 7, 8	3a, 3b, 3c, 4a, 4b, 5, 6, 7, 8

GLOSSARY AND ABBREVIATIONS

BHSD**Behavioral Health Services Department**

A County of Santa Clara department that offers a wide range of mental health and substance use treatment services.

CBO**Community-Based Organization**

An entity that operates within a specific community or geographical area to address local needs and improve the well-being of its residents.

CCLD**Community Care Licensing Division**

The division that enforces the regulatory system for community care within the California Department of Social Services.

Continuum of Care Reform**Continuum of Care Reform**

A key principle of Continuum of Care Reform is the shared objective among state, county, and care providers to support children and their families, allowing them to heal and thrive. Implementation in 2017 brought together a series of existing and new reforms to child welfare services programs. reforms were built around the idea that children separated from their biological parents do better when living in family homes, and that congregate care should be short and therapeutic.

CDSS**California Department of Social Services**

The department that is responsible for the oversight and administration of programs serving California's most vulnerable residents.

Congregate Care

Residential placements, such as group homes or treatment facilities, that offer 24-hour supervision and support for children and youth who cannot live with their families.

Continuum of Care

A coordinated and comprehensive approach to foster care.

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DFCS

Department of Family and Children's Services

The County department that provides a wide range of services designed to protect children when a threat of abuse, neglect, exploitation, or abandonment presents a danger to a child's safety.

E-STRTP

Enhanced Short-Term Residential Therapeutic Program

A residential facility operated by a public agency or private organization that provides an integrated program of specialized intensive care and supervision, typically for one or two youth.

Family-Based Placement

Youth who are removed from their homes and placed with relatives, non-related extended family members, or trained and supported foster families (also known as home-based, family-based, family care, or family setting placements).

Fee-for-service

A payment model where providers are reimbursed for each individual service or procedure they provide to a patient or client.

High-Acuity Youth

Youth with complex and urgent problems that require intensive and specialized support. Used interchangeably with High-Needs Youth.

High-Needs Youth

Used interchangeably with High-Acuity Youth. See explanation above.

ISFC

Intensive Services Foster Care

The ISFC program serves children and youth who need treatment and behavioral support in a home-based setting.

ISFC+

Intensive Services Foster Care Plus

These are specialized homes that help children heal and recover from trauma. They provide in-depth treatment in a home setting.

JJC

Juvenile Justice Commission

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The Juvenile Justice Commission is a state-mandated, court-appointed authority. The broad purpose of the commission is to inquire into the administration of the juvenile court law in the County.

Permanency

In social work, particularly in child welfare, permanency refers to a stable, long-lasting living situation for a child, ideally within a family context. It encompasses both legal permanency (like reunification, adoption, or legal guardianship) and relational permanency (lifelong connections with supportive adults). The goal is to ensure the child's safety, well-being, and a sense of belonging within a family, whether that's their birth family, a foster family, or an adoptive family.

Scattered Sites

Unlicensed residential homes that were operated by DFCS staff to provide transitional care for multiple youth. Two of the homes have since been licensed by the State as Transitional Shelter Care Facilities (TrSCF).

SSA

Social Services Agency

The County agency that provides a wide range of services to at-risk children, families, and adults.

STRTP

Short-Term Residential Therapeutic Program

A residential facility operated by a public agency or private organization that provides an integrated program of specialized intensive care and supervision for more than two youth.

TrSCF

Transitional Residential Shelter Care Facility

A type of short-term residential care program that provides temporary housing and care for children and youth, usually those in the foster care system or in need of emergency placement due to abuse, neglect, or abandonment.

APPENDIX 1: Increasing Temporary Placement and Residential Treatment Options for Youth with High Needs

County of Santa Clara
Santa Clara Valley Health & Hospital System
Behavioral Health Services Department



122973

DATE: February 25, 2025
TO: Board of Supervisors
FROM: Sherri Terao, Director, Behavioral Health Services
Daniel Little, Director, Social Services Agency
Ky Le, Deputy County Executive
SUBJECT: Increasing Temporary Placement and Residential Treatment Options for High Needs Youth

Received: 02/25/2025

RECOMMENDED ACTION

Consider recommendations relating to increasing temporary placement and residential treatment options for high needs youth.

Possible action:

- a. Under Advisement from the November 5, 2024 (Item No. 12): Receive report from the Behavioral Health Services Department and the Department of Family and Children's Services relating to a plan to increase temporary placement and residential treatment options, including a potential County-operated Short Term Residential Therapeutic Program, for children and youth.
- b. Approve Request for Appropriation Modification No. 127 - \$2,000,000 increasing estimated revenues and expenditure appropriations in the Behavioral Health Services Department budget, relating to implementing approved strategies to increase temporary placement for children and youth. (4/5 Vote)

FISCAL IMPLICATIONS

Approval of the recommended action allocates a one-time appropriation of \$2,000,000 from the Wraparound Reinvestment Fund to the Behavioral Health Services Department budget. These funds will enable the Department of Family and Children's Services (DFCS) and Behavioral Health Services Department (BHSD) to begin implementing approved strategies in the current fiscal year.

REASONS FOR RECOMMENDATION

Introduction

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At its September 10, 2024 meeting, at the request of Supervisor Arenas and Supervisor Ellenberg, the Board issued a referral to Administration to report to the Board with options to adopt a 30-, 60-, and 90-day action plan to assess creation of a County-operated Short Term Residential Therapeutic Program (STRTP) based on a similar program operated by the County of San Mateo. On November 5, 2024 (Item No. 12) the Department of Family and Children Services (DFCS) and the Behavioral Health Services Department (BHSD) presented a multi-pronged action plan to increase and improve temporary placement options, including County-operated STRTPs or Enhanced STRTPs (E-STRTPs), for older foster youth who require significant behavioral health supports and related interventions or have special health care needs.

This report summarizes the Administration's progress, analyses, and next steps, including:

1. Implementing strategies to activate five and establish eight additional Intensive Services Foster Care Plus Homes (ISFC Plus Homes) in Santa Clara County;
2. Finalizing new agreements and modifying staff responsibilities to increase or improve behavioral health services for children and youth who utilize the DFCS-operated Transitional Residential Shelter Care Facilities (TrSCF); and,
3. Establishing four two-bed E-STRTP programs in Santa Clara County, with at least one site operated by the County.

Background

When the State enacted Assembly Bill (AB) 403 in 2015 — the Continuum of Care Reform initiative (CCR) — to reform the continuum of care for children who must live apart from their biological parents, the State did so with the “understanding that children do best when they are cared for in committed nurturing family homes.”¹ To the greatest extent possible, youth requiring out-of-home placement should receive care in the homes of relatives, nonrelated extended family members, or trained and supported foster families (also known as home-based or family-based placements).

Even before the State initiated CCR the County had begun moving away from congregate care when it closed the Children's Shelter in 2009. Over the last 16 years, the County has worked to establish a robust continuum of temporary and permanent placement options that meets the requirements and goals of CCR. The current continuum of care for children requiring out-of-home placement within Santa Clara County includes the Welcoming Center, Resource Family Approval (RFA) Homes that include related and non-related caregivers, and Specialized Foster Care for youth with higher needs (e.g., ISFC Homes and ISFC Plus Homes). ISFC Homes and ISFC Plus Homes offer longer-term, individualized, family-based care for youth with high needs, and are the generally the best option for placement of high need youth. While the County has been able to provide family-based placements for most foster youth, challenges remain. Like most systems of care statewide and nationally, it has been difficult for DFCS and its partners to find sufficient family-based placements

¹ California Department of Social Services, System of Care Branch, available at <https://www.cdss.ca/gpv/inforesources/continuum-of-care-reform> (last visited February 6, 2025)
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appropriate for older youth, especially those with significant mental health needs, behavioral challenges, and/or medical needs. DFCS and BHSD estimate that annually, there are between 12 and 16 older youth who cannot be placed in or maintain stable placement in family-based settings.

This challenge has two primary causes. First, it has been difficult to recruit, train, and retain families who are willing to operate ISFC Homes and ISFC Plus Homes for older youth. Second, older youth with the most serious mental health needs typically require short-term therapeutic placement in specialized residential treatment programs known as STRTPs, which are operated by professional staff. When STRTPs were initially implemented by the State under CCR, they unfortunately retained some characteristics of older congregate care models by placing large groups of high-need youth together in a residential setting and were over-reliant on a fee-for-service reimbursement model. As a result, STRTPs have not always been capable of appropriately meeting youth's individualized needs and community-based organizations (CBOs) have found it difficult to sustain financially viable programs. As a result of these challenges, though Santa Clara County was home to some of the first licensed STRTPs in the state, there are currently no STRTPs operating in Santa Clara County.

Since the last in-county STRTP closed, DFCS and BHSD have placed youth in STRTPs (or other similar programs) in other counties. Although the out-of-county programs meet a critical need, the programs are in high demand statewide and may not always be available or willing to accept youth from Santa Clara County. Moreover, foster youth in out-of-county placements may have a more difficult time maintaining or accessing their current support networks.

In addition to using out-of-county STRTPs, the County has established three DFCS-operated TrSCFs as a temporary placement-of-last-resort pending identification of other appropriate placements. While the STRTPs only serve youth who meet certain clinical criteria, the TrSCFs may serve all foster youth. The DFCS-operated TrSCFs are the only locations in the county where dependent youth cannot be turned away or denied care.

Family-Based Placement Options for High-Needs Youth through ISFC Plus Homes

Although STRTPs and TrSCFs are important parts of the dependency system's care continuum, both programs are only intended to meet the short-term needs of youth. To fulfill the vision of CCR, the County must increase longer term, therapeutic, family-based placement options for older youth with significant behavioral health needs **by increasing the availability of ISFC Plus Homes.**

For older youth with more significant needs, DFCS has established the ISFC program and ISFC Plus program. In both of these programs, families receive additional training so they can support youth with higher needs. Both programs are operated by CBOs under contract with the County (through DFCS and/or BHSD). County currently contracts with Pacific Clinics, Rebekah Children's Services (Rebekah's), and Seneca for the ISFC and ISFC Plus programs. The agencies, referred to as Foster Family Agencies (FFAs), are responsible for recruiting and retaining caregivers to deliver the services to youth placed and to also find homes appropriate for such placements.

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In ISFC Homes youth and families are typically supported by a mental health intensive outpatient program, which helps to keep youth healthy and stable in community settings. In ISFC Homes, the mental health services are provided by various outpatient programs under contract with the County's BHSD. ISFC Plus Homes offer an even higher level of mental health support, and the mental health services are provided by the ISFC Plus agency through a distinct contract with BHSD. In ISFC Plus Homes, the professional foster family, and the mental health services staff operate as an integrated team and provide services at a level of intensity similar to the STRTP level of care, but in a family home with usually one child in placement at a time. Therefore, increasing the supply of ISFC Plus Homes is critical to meeting the placement needs of older youth without resorting to congregate settings.

Under the County's current contracts with Rebekah's, Pacific Clinics, and Seneca, the three agencies are expected to operate 27 ISFC Plus Homes. The ISFC Plus program has three primary components. The first includes stipends and housing supports for caregivers; as described below, stipends to offset housing costs have typically ranged from \$1,000 to \$2,000 per month but have been increasing in order to help with recruiting and retaining caregivers. The second service component are the mental health services provided directly to youth. Third, are services provided by the FFAs to recruit, retain, and assist caregivers. These costs are currently over \$10,000 per month and include staffing costs to ensure 24/7 coverage and support to caregivers.

As depicted in **Table 1**, the agencies have established 19 ISFC Plus Homes, of which 14 are currently in operation. Five ISFC Plus Homes are currently not accepting youth because the caregivers have requested a respite, the caregivers – for medical or personal reasons – are currently unable to care for youth, or because the homes are on hold for administrative reasons. DFCS and BHSD are working with the three agencies to resume operations in five ISFC Plus Homes and to establish the remaining eight additional ISFC Plus Homes for which DFCS has already contracted and allocated funding.

Table 1: ISFC Plus Home Capacity by Provider

Provider	Contracted Homes (Number of Homes Funded Through Contract)	Homes Established by Provider to Date	Established Homes in Operation	Additional Homes Provider Can Establish under Current Contract
Pacific Clinics	15 homes	9 homes	7 of 9 homes	6 homes
Rebekah's Children Services	8 homes	6 homes	4 of 6 homes	2 homes
Seneca Family of Agencies	4 homes	4 homes	3 of 4 homes	0 homes
Totals	27 homes	19 homes	14 of 19 homes	8 homes

To identify and overcome the barriers that have limited the three agencies' ability to meet capacity expectations under their current contracts, DFCS first convened listening sessions with key stakeholders as requested by the Board. Per discussions with the three contract

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agencies, challenges fell into two broad categories: 1) caregiver support; and 2) leasing and/or purchasing homes for use by ISFC Plus families to support recruitment as availability of housing impacts those willing to become caregivers.

Listening Sessions and Collaborative Workgroup to Support ISFC Plus Homes

To understand gaps in support for caregivers or youth, DFCS held listening sessions in January and February to gather input from resource parents with the Kinship, Adoptive and Foster Parent Association (KAFPA), Resource Family caregivers, ISFC/ISFC Plus caregivers, Placement Supportive Services (PSS) caregivers, providers, DFCS case carrying social workers for high acuity youth, and the placement team from DFCS. Based on these initial conversations, the County has begun implementing changes such as: 1) offering trainings on engagement, permanency and relationship building to social workers, FFAs, and ISFC Plus caregivers jointly; 2) implementing more flexible policies for determining how long youth may reside in ISFC Plus Homes; and, 3) conveying to ISFC Plus youth that, based on their needs, placements in ISFC Plus Homes may be extended beyond the typical six months, which can significantly reduce their anxiety and concerns. In addition, the SSA will build on the work of the listening sessions through an “ISFC Workgroup.” Consisting of key staff from SSA, DFCS, BHSD, and the Probation Department and representatives from FFAs, mental health contractors, and ISFC caregivers, the ISFC Workgroup will meet for the next 12 months to propose, refine, and help implement recommendations to increase support for, recruit, and retain ISFC and ISFC Plus caregivers.

Hosted Home Model

Stakeholders and FFAs noted that the cost of housing was a barrier to recruiting and retaining ISFC caregivers. In the ISFC and ISFC Plus program, caregivers accept youth into the caregivers’ own residences. Although caregivers are compensated for their services, the youth typically require the caregivers’ full-time support, thus caregivers are typically unable to engage in other income-earning activities. On average, ISFC Plus caregivers receive \$6,000 per month for their services and an additional stipend of \$1,000 to \$2,000 per month for housing expenses. ISFC Plus caregivers and FFAs report that this level of reimbursement is generally insufficient to recruit new caregivers and help establish new ISFC Plus Homes. According to the Facilities and Fleets Department (FAF), the monthly rent for a two- or three-bedroom home in Santa Clara County is over \$5,000.

To remove housing costs as a barrier to recruiting and retaining ISFC Plus caregivers, DFCS researched the potential of using “hosted homes” or “supported homes.” In this model, the County would directly or through FFAs, acquire or lease residences that ISFC Plus caregivers could use for the program. FFAs and ISFC Plus caregivers expressed that having a “hosted or supported home” is a benefit for a full-time caregiver and that, in Santa Clara and other counties, hosted homes have helped in recruiting additional caregivers. Currently, Seneca provides hosted homes for all four of their current ISFC Plus caregivers. The cost for Seneca is \$4,700 per month per home location and the caregiver resides there free of charge and receives a stipend of \$6,000 to care for youth. Pacific Clinics is also currently providing six hosted homes to ISFC or ISFC Plus caregivers.

ISFC Plus Home Expansion – Next Steps and Cost Estimates

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As indicated above, DFCS and BHSD are taking immediate steps to increase support and services to youth and caregivers in the ISFC Plus program. The services will be implemented through existing County staff, contracts with FFAs, or other County contract providers.

Providing ISFC Plus caregivers with hosted homes could be accomplished in several ways. First, County-owned or County-leased residences could be leased to FFAs or ISFC Plus caregivers. Unfortunately, both DFCS and the FAF have confirmed that there are no suitable County properties for use as ISFC Plus homes. DFCS and FAF had previously reviewed all County properties as part of efforts to establish TrSCFs.

Although Administration could acquire or lease properties and make those properties available for the ISFC Plus program, it would be faster and more cost effective for the County to provide funding to FFAs to acquire or lease residential properties for use by ISFC Plus caregivers. FFAs can initiate and complete real-estate transactions more quickly than the County. The FFAs are also in direct communication with current and potential ISFC Plus caregivers. Working together, the FFAs and the ISFC Plus caregivers can more quickly identify potential properties suitable for the needs of the youth and the caregivers. The County's contracts with the FFAs will include requirements that the County-funded properties remain in use for the County's ISFC Plus program.

We anticipate that if the FFAs established 13 additional hosted homes for the ISFC Plus program by leasing properties, the total additional cost per year would be at least \$60,000 per year per home. The annual additional cost for all 13 hosted homes would be between \$800,000 and \$1,100,000. BHSD and DFCS are working with FFAs to maximize existing budget and funding sources to reactivate or establish new ISFC Plus Homes as quickly as possible. Through this process, staff will determine the amount of additional funding is necessary to support hosted homes on an ongoing basis through acquisitions or leases.

Administration anticipates that the additional supports to caregivers (e.g., making it easier for youth to stay in ISFC Plus Homes for longer periods of time, building in respite periods for caregivers, and increasing training, etc.) and expanding the "hosted home" model are promising solutions to longstanding challenges. Across the State, the number of FFAs is limited and many agencies, like Seneca and Pacific Clinics, are already serving multiple counties (e.g., San Francisco, Alameda, and San Mateo). As such, investing and building on these agencies' local experience and existing partnerships is anticipated to be the most expeditious path to increasing ISFC Plus Homes. As such, DFCS will partner with the recruiters at each of the three FFAs and engage in joint recruitment efforts including regular asks of DFCS County Resource Family Approved (RFA) homes that may want to shift to support youth through an FFA as an ISFC plus home.

Strengthening Transitional Shelter Care Facilities

While the County works to increase ISFC Plus Homes, maintaining and improving DFCS-operated TrSCFs ensures that the County can provide all youth with safe, supportive, short-term (i.e., days or weeks) placements in residential settings when no family-based option is available. DFCS currently has two licensed TrSCFs and one site pending provisional licensure with all necessary paperwork submitted. DFCS anticipates receiving the provisional

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licensure for this last site in February 2025. As of February 12, 2025, there were a total of seven youth in TrSCFs awaiting identification of a long-term placement.

In addition to ensuring TrSCFs are appropriately licensed, DFCS and BHSD have been working to improve TrSCF services and youth experience.

Immediate Steps to Increase Support in TrSCFs

To ensure youth and staff receive additional support near-term, DFCS initiated an “all hands on deck” approach through daily huddles with all onsite staff and weekly meetings between DFCS staff who care for the youth onsite, other DFCS staff and teams responsible for coordinating longer-term services and placements for high acuity youth, BHSD staff assigned to support the foster youth system as appropriate, and BHSD contractors who come onsite to provide the behavioral health services. These meetings have significantly improved regular communication and coordination between both teams and increase adherence to the youths’ individualized care plans. The daily meetings help clarify questions regarding roles, tasks, individualized care plans, and support the staff to work cohesively as one team to deliver timely and appropriate services, including to address emerging and more urgent needs. BHSD and DFCS staff, managers, and contractors are actively assisting TrSCF staff and youth on a daily basis.

Long-Term Plan to Augment Onsite Staff

While the “all hands on deck approach” described above is having a positive impact, the TrSCFs need additional ongoing support from more experienced staff who can help youth better manage their symptoms or modify their behaviors. DFCS will add at least one additional staff person to each TrSCF with additional training and experience in managing complex behaviors. These staff will help intervene during crises, help implement or support structured therapeutic plans, and coordinate with BHSD staff and BHSD contractors, including those providing Wraparound services and other mental health intensive outpatient services to youth temporarily residing at the TrSCFs. The positions would also be able to offer training, consultation, and additional coverage resources for onsite staff.

Meanwhile, DFCS and BHSD are working to amend the contract of a current behavioral health provider of Immediate Stabilization and Placement Support Services to assign clinicians to work on-site at each of the TrSCFs. The County’s FY 2024-2025 Mid-Year Adjustment includes additional funding for contracted onsite clinical staff at the TrSCFs.

Establishing Enhanced STRTPs (E-STRTPs) in Santa Clara County

STRTPs are an important part of the continuum of care for dependent youth. Staffed by professionals from counties or CBOs, STRTPs help youth with the most serious mental health conditions overcome periods of significant distress. On average, youth stay in an STRTP for six months. Youth may access STRTPs only if they meet medical criteria. Each year, approximately 12 foster youth meet medical criteria for STRTPs. By establishing four E-STRTPs, each with two beds, the County would have in-county capacity of serving eight youth at any given time (approximately 16 youth per year). Having four two-bed locations would allow the County to meet unexpected demand or serve youth who require placement without any other youth while maintaining adequate capacity for other youth.

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From Group Homes to STRTPs

Under the CCR initiative, the State sought to phase out the use of group homes, which were generally used as placements of last resort for older youth for whom no family-based placement could be identified. The group home model, while providing additional placement options often for older youth, historically did not show good long-term outcomes. Children often spent considerable time in programs which offered limited therapeutic services and were often located in other counties which impacted the ability for parents to have meaningful visitation. Many of these homes also failed to create a safe and appropriate environment for the children and youth in their care.

CCR did not eliminate congregate care entirely, however. Instead, the State created a more stringent regulatory framework for the few remaining group-based care models, allowing placements in congregate care facilities only as short-term, therapeutic interventions, and only for children who met medical criteria for such a placement. The State's adopted model for out-of-home placement in congregate care settings became known as the STRTP model. Under this new framework, the State required STRTPs to be licensed by the California Department of Social Services' (CDSS) Community Care Licensing Division (CCLD), to offer intensive mental health services through licensed clinical staff, and to receive approval from the local specialty mental health system (i.e., County Behavioral Health Services Department). Moreover, the State established more stringent medical-necessity criteria for determining whether placement in an STRTP is appropriate.

In Santa Clara County, two community-based organizations transitioned from the group home model to STRTPs, with the very first STRTP license in California issued to a Santa Clara County based provider. However, both in-county providers decided to close their programs in 2019 and 2020 due to increasing challenges to meet the complex needs of youth, manage high-risk situations, and maintain financial stability. These programs felt they needed to keep full occupancy to generate sufficient revenue but struggled to navigate frequent incidents of youth leaving and engaging in high-risk situations (e.g., substance use, Commercial Sexual Exploitation of Children, law-breaking behavior, gang activity, etc.). They also struggled to manage neighborhood, and community concerns due to frequent disturbances and had difficulty retaining staff.

Financial viability became another hurdle for STRTPs based on the State's payment structure for these services, with programs running deficits ranging from \$500,000 to \$1 million annually. These ongoing fiscal issues required subsidies from other County funding sources. Ultimately, each of the organizations operating STRTPs in Santa Clara County concluded that they could not sustainably provide the level of individual trauma-informed developmentally sensitive care needed to effectively support the youths referred to the programs, leading to program closures.

Researching STRTP Models

While the County has been able to place high-needs youth in out-of-county STRTPs, offering youth a therapeutic residential setting in Santa Clara County remains a critically important goal. Out-of-county placements may limit families' or caregivers' ability to visit the youth. Also, out-of-county placements can isolate youth from their friends, teachers, and support

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networks. These challenges can make youth feel disconnected, increase their behavioral health symptoms, and result in youth declining to be placed or stay in an STRTP. All STRTP placements are voluntary.

To better meet the needs of older foster youth who have significant mental health needs, on November 5, 2024, Administration proposed establishing STRTPs in Santa Clara County. To inform these efforts, BHSD and DFCS staff have met with CBOs that operate STRTPs, caregivers, and former foster youth. BHSD and DFCS staff also conducted onsite and/or virtual visits of: 1) Canyon Oaks STRTP, operated by San Mateo County Behavioral Health and Recovery Services; 2) Elysian STRTP and Transitional Shelter, operated by San Mateo County Children and Family Services; 3) Sonoma County Valley of the Moon STRTP and Transitional Shelter; and, 4) Hope Forward Enhanced STRTP operated by Aspiranet in Stanislaus County.

In addition to learning about staffing, management strategies, operational costs, and service recommendations, BHSD and DFCS staff heard that programs should be designed to maximize acceptance of youth with substance use disorders, to address the unique needs of youth who had been commercially sexually exploited, and to safely accommodate youth who can be physically aggressive.

E-STRTPs in Santa Clara County

To avoid some challenges faced by current and previous STRTP operations, Administration plans to pursue the following approach to creating in-county STRTP capacity.

1. All in-county STRTPs will be operated as E-STRTPs. Instead of serving up to eight youth at a time, each E-STRTP would serve one or two youth. While more costly to operate than standard STRTPs on a per client basis, E-STRTPs will have better outcomes and better engagement. In addition, having multiple, small-scale program sites would provide the entire continuum of care greater flexibility in meeting some youth's unique needs. For example, using a full E-STRTP to meet the needs of one youth with physical aggression, gives the youth the greatest chance of success while minimizing the number of STRTP beds that would go unutilized.
2. Initially, the County would contract with a CBO for two E-STRTPs and the County would establish at least one County-operated E-STRTP. While CBO-operated E-STRTPs would be less expensive than a County-operated STRTP, taking a two-pronged approach enables the County to develop the expertise needed to establish and operate an E-STRTP. This would enable the County to assume operations of a CBO-operated E-STRTP if the CBO is suddenly unable to continue operations.
3. Even for the CBO-operated E-STRTPs, we anticipate the County will either own the property, be the lessee, or have the first right of refusal to acquire or lease the property. This ensures that the County could transition the operation of the E-STRTP to a different CBO or County staff if the current provider was unable or unwilling to operate the program.
4. All in-county STRTPs would only serve Santa Clara County youth. Exceptions would have to be approved by DFCS and BHSD.

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5. All in-county STRTPs will be required to have strong “no rejection” policies. BHSD, DFCS, and Probation have developed draft contract language to ensure E-STRTPs follow a no eject/no reject practice, which would require that no youth is denied admission or prematurely discharged unless the placement is no longer medically necessary, or the youth poses an unresolvable safety risk despite multiple mitigation efforts. To prevent early discharges, E-STRTPs must work collaboratively with youth, families, and system partners through the Child and Family Team (CFT) meeting process, consider additional stabilization resources, and seek advisory consultation for local and state groups. Early discharge will only be permitted in rare and exceptional circumstances, such as ongoing safety threats that cannot be managed with the program, including severe violent behavior towards other youth, gang-related risks, or exploitation concerns. An early discharge would need approval from BHSD, DFCS, and Probation and would only be granted after another suitable placement was found and a smooth thoughtful transition plan identified.
6. The County will establish a cost-based payment structure for CBO-operated E-STRTPs to ensure their financial viability and operational availability. This structure will include the expectation that the operator (County or contracted) will leverage all available revenue sources to offset program costs. While this approach will create financial risks for the County, it is the only way to ensure that E-STRTPs remain operational in Santa Clara County. Fiscal impacts to the County will be minimized by phasing in E-STRTTP sites, closing sites if they are no longer needed, allowing in-county E-STRTPs to serve youth from other counties if Departments determine that this would not negatively impact Santa Clara County youth, and/or allowing underutilized sites to serve other needs.

Timeline for Establishing CBO-Operated E-STRTPs

On January 27, 2025, BHSD expanded its open Request for Statement of Qualifications (RFSQ), which was originally released on October 9, 2024, to invite proposals from providers interested in implementing: 1) standard STRTPs designed to serve no more than six youth; and/or 2) E-STRTPs designed to offer highly individualized care by tailoring services to meet the specific needs of one to two youth at a time. To increase options for potential providers, the updated solicitation now includes the option to operate within county-owned or leased properties to reduce barriers to securing suitable facilities. The updated solicitation also clarifies that funding would incorporate a cost-based approach, partially off-set by Medi-Cal for specialty mental health services, State placement rates for dependency youth, and additional funding through the CDSS Innovative Model of Care (IMC) program.

Thus far, the County received one proposal for E-STRTPs, each serving two youth at a time. The CBO indicated that its first E-STRTP in Santa Clara County could open and begin serving youth in Spring 2026. A second E-STRTP would open in the county six months after. BHSD and DFCS staff expect to complete negotiations with the provider by March 31, 2025.

The feasibility of youth being received in Spring 2026 depends on several factors, including, but not limited to the CBO acquiring or leasing a facility, completing renovations and facility repairs, and hiring and training staff. One variable that is outside of the contractor and

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County's control is the timeline for licensure through the State, which is reported to be between five to nine months.

The County will make every effort to assist the provider in establishing the E-STRTPs as quickly as possible. Staff will work closely with the provider throughout all phases of project, including determining whether the County can expedite approvals related to facility renovations or permitting, supporting the provider's recruitment, hiring, and training efforts, and ensuring that staff are equipped with evidence-based practices that are developmentally appropriate and trauma-informed. In addition, County staff will help establish or enhance the provider's collaboration with system partners including various County Departments, educational partners, and medical providers. Finally, County staff would help the provider incorporate the voices and recommendations of peers with lived experience to ensure services are responsive to the needs of the population served.

Timeline for Establishing a County-Operated E-STRTP

A County-operated E-STRTP would likely begin receiving youth in Fall 2026. The County would have to complete tasks similar to those that a CBO must complete; however, a County-operated STRTP will take longer to establish. Although the County has gained some knowledge through operating TrSCFs, establishing and operating an E-STRTP would still be a new experience. The County does not have experience operating E-STRTPs, including working with CCLD to license an E-STRTP and working with the State Department of Health Care Services (DHCS) to obtain program approval and gain accreditation from national accrediting bodies.

Based on the staffing models of other county-operated STRTPs, most of the required positions/functions for a County-operated E-STRTP can be filled using existing classifications except for two positions. First, the County will need to establish a new "Residential Counselor" classification for positions responsible for the day-to-day operation of CCLD-licensed facilities and supervising youth who are placed in those programs. These positions would be assigned to work at the E-STRTPs on a shift schedule. For each County-operated E-STRTP, approximately eight Full-Time Equivalent (FTE) "Residential Counselors" would be needed. Once established these classifications would also be used for positions assigned to the County's TrSCFs.

The second classification needed is one that would be used for managing CCLD-licensed facilities and leading the staff who are assigned to the programs. Given the complex licensing and operational requirements of E-STRTPs/STRTPs, other counties have created specific classifications, which have helped them in recruiting and retaining professionals with the requisite experience, skills and knowledge to successfully establish and operate E-STRTPs/STRTPs. Although the new classifications' specifications would draw on current and/or abolished classifications, the County is still obligated to go through a formal process, including conferring with labor organizations, to establish the two new classifications.

The Employee Services Agency (ESA) estimates that creating the new classifications will take six to 11 months. ESA will work to expedite the process as much as possible though one of the key variables will ultimately be the duration and frequency of meetings with labor organizations during the required meet and confer process. Ideally, the County would

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establish the new management classification and recruit for and fill key leadership positions before recruiting for other positions so that the new leader can be included in selecting and training the new team. To some extent, recruitment and hiring processes for the management and operational positions will be sequential.

Outlined in **Table 2** is a schedule of the major tasks associated with establishing a County E-STRTP. If the selected properties require significant (over \$200,000) renovations or modifications to meet licensing standards, the timeline could be extended six months or more.

Table 2: County E-STRTP Schedule of Major Activities

Major Task	Estimated Start	Estimated Completion
Establish new classifications and positions	March 2025	September 2025
Recruit and hire E-STRTP manager(s) *	October 2025	January 2026
Recruit, hire and onboard E-STRTP positions *	February 2026	July 2026
Complete staff training and credentialing	July 2026	September 2026
Identify and acquire or lease properties	January 2026	May 2026
Obtain CCLD license, DHCS certification, IMC approval	May 2026	September 2026

*Background clearances take 2-5 months, depending on the state authorized vendor

Estimating Expenses and Revenues for E-STRTPs

BHSD and DFCS used their experience with TrSCFs and information from San Mateo and Sonoma Counties to develop cost estimates for County-operated and CBO-operated E-STRTPs. CBO-operated E-STRTPs are less expensive than County operated programs primarily due to the County having higher personnel costs. **Table 3** outlines the anticipated expenses and revenues for County- and COB-operated E-STRTPs once the programs are fully operational, which is typically six to 12 months after they have been established. Once fully operational, each E-STRTP is assumed to have a 75% utilization rate. Revenue sources include:

- a. **Placement Rate / Innovative Model of Care (IMC).** The State establishes a monthly rate whenever a qualified youth is placed in an STRTP. For Santa Clara County, the approved rate is approximately \$17,000 per child per month. When operating E-STRTPs, providers typically apply to the State for a higher rate through the Innovative Model of Care (IMC) program. If an E-STRTP is approved by the IMC program, they are provided a new rate. County staff met with a provider that is operating IMC-approved E-STRTPs in other counties. Based on these conversations and the IMC's list of approved rates for various programs, DFCS estimates that E-STRTPs in Santa Clara County would receive a placement rate of \$70,000 per placement per month. However, both the regular STRTP rate and an IMC-approved rate only represent what operators may charge. Each payment consists of Title IV-E Federal funds and a 1:1 local match (e.g., 2011 Realignment or County General Funds). In addition, not all placements are eligible for Federal funding programs. As a result, DFCS estimates that total revenue

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(non-County funds) to support placements in an E-STRTP will be relatively low, about 25% of the rate. The revenue estimate in **Table 3** reflects the Federal portion of the IMC rate factored at 75% utilization and with about 50% of placements ineligible for federal funding.

- b. **Specialty Mental Health Services.** E-STRTPs provide Medi-Cal billable clinical services. When providing services to foster youth, the Federal and State shares (FFP & EPSDT) cover 95% of the billable rate. Counties are only required to provide a 5% match. The revenue estimate in **Table 3** includes only the Federal and State shares. Actual revenues may be higher or lower depending on the amount of billable services youth require or are willing to accept.

Table 3: E-STRTP Cost Estimates

	CBO Operated	County Operated
Annual Operating Cost	\$2,700,000	\$4,300,000
Revenue		
Placement Rate / IMC Funding	\$407,000	\$407,000
Specialty Mental Health Services	\$600,000	\$600,000
Total Revenue	\$1,007,000	\$1,007,000
Net County Cost	\$1,693,000	\$3,293,000

Conclusion and Next Steps

1. **ISFC Plus Homes Expansion.** ISFC Plus Homes can effectively serve high-needs older youth in family-based settings, which can be more therapeutic and nurturing than other programs. Staff are meeting with FFAs to reactivate and establish new ISFC Plus Homes using existing resources and will determine whether additional financial support would be needed. This program is a priority because it best meets the long-term needs of youth in family best settings. Also, even with the cost of a hosted home, mental health services, and FFA-provided supports to ISFC Plus caregivers, the ISFC Plus Program is many times less expensive than TrSCFs, CBO-operated E-STRTPs, and County-operated E-STRTPs, while providing a similar level of behavioral health support.

Table 4: Annual Operating Cost per Bed by Program Type

Facility Type (incl. Mental health services)	Annual Cost	Net Cost to the County per Bed
ISFC Plus Home (incl. Hosted Home)	\$312,000 per bed	\$176,000 per bed (estimated)
CBO E-STRTP	\$1,350,000 per bed	\$846,500 per bed
County E-STRTP	\$2,150,000 per bed	\$1,646,500 per bed

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2. **Transitional Care Shelter Facilities.** DFCS and BHSD have taken immediate actions to improve services and supports to youth and staff at the TrSCFs. The Mid-Year Budget Adjustment includes modifications that enable the Departments to add contracted staff to each TrSCF. In addition, more experienced County staff will be added to TrSCFs, improving the program model. The TrSCFs are an important safety-net for dependency youth. The TrSCFs ensure that all youth can have safe and supportive temporary housing while more appropriate and long-term placements are identified.
3. **E-STRTPs in Santa Clara County.** Foster and Probation youth in Santa Clara County would benefit from the creation of additional E-STRTPs, and specifically programs located in Santa Clara County. Administration has outlined a two-pronged approach for establishing a combination of CBO- and County-operated E-STRTPs that would give the County the flexibility to meet system-wide and individualized needs. The first CBO-operated E-STRTP could begin serving youth as early as Spring 2026 (FY 2025-2026), and a County-operated E-STRTP could begin serving youth in late 2026 (FY 2026-2027). To implement the two-pronged approach, Administration would include funding for the CBO-operated E-STRTP and management positions in the FY 2025-2026 Recommended Budget. Full funding for the County-operated E-STRTP and additional CBO-operated E-STRTPs would be included in the FY 2026-2027 Recommended Budget. If implementation proceeds more quickly, Administration will bring the necessary implementing actions to the Board for consideration.

CHILD IMPACT

The recommended action will have a positive impact on children and youth who require out of home placements and/or temporary residential treatment services.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no/neutral impact on seniors.

ATTACHMENTS:

- F85_127 STRTP Wrap Funded (PDF)
- STRTP Report PPT (PDF)

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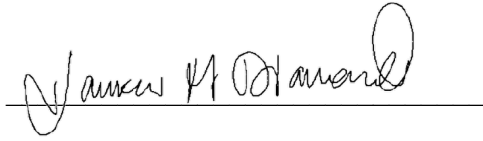
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This report was **ADOPTED** by the County of Santa Clara 2024-2025 Civil Grand Jury on this 17th day of June, 2025.

A handwritten signature in black ink, appearing to read "Lauren H. Diamond", is written over a horizontal line.

Lauren Diamond
Foreperson