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2009 SEP 18 P 1:43

RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

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13  
14 UNITED STATES DISTRICT COURT  
15 NORTHERN DISTRICT OF CALIFORNIA  
16 SAN FRANCISCO DIVISION

17 **EV 09**

**4398**

18 CALIFORNIA ALLIANCE OF CHILD AND  
FAMILY SERVICES,

19 Plaintiff,

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.

No.

**DECLARATION OF CHARLES C.  
RICH IN SUPPORT OF PLAINTIFF  
CALIFORNIA ALLIANCE OF  
CHILD AND FAMILY SERVICES'  
EX PARTE APPLICATION FOR A  
TEMPORARY RESTRAINING  
ORDER AND ORDER TO SHOW  
CAUSE REGARDING  
PRELIMINARY INJUNCTION**

1 I, Charles C. Rich, 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") Motion for Temporary Restraining Order. Each of the facts stated herein are based  
5 on my personal knowledge unless I state that they are based upon information and belief.

6 2. I am the Executive Director of David & Margaret Youth and Family Services,  
7 located at 1350 Third St., La Verne, California. I have held the position for eight years. As  
8 Executive Director, my duties include oversight of the facility's budget, expenses and revenues.

9 3. Founded in 1910, David & Margaret Youth and Family Services is a group home  
10 for eleven-to eighteen-year-old females. The girls for whom we provide services come to our  
11 program as wards of the court either through the Department of Child and Family Services or,  
12 less frequently, through probation. Our facility currently has beds for fifty girls.

13 4. The majority of David & Margaret Youth and Family Services' funding comes  
14 from the California Department of Social Services ("DSS"), which makes foster care  
15 maintenance payments to David & Margaret Youth and Family Services as is required under the  
16 federal Child Welfare Act and California's Welfare and Institutions Code. DSS's foster care  
17 maintenance payments currently make up approximately thirty-nine percent of our operating  
18 budget.

19 5. The foster care maintenance payments that David & Margaret Youth and Family  
20 Services receives from DSS are used to provide the most basic necessities to the children for  
21 whom we provide services. Among other things, David & Margaret Youth and Family Services  
22 uses the funds it receives to provide food, shelter, daily supervision, school supplies and many  
23 other essential items required under the federal Child Welfare Act and California Welfare and  
24 Institutions Code.

25 6. From 1990 to the present, the cost of providing the basic necessities required  
26 under the federal Child Welfare Act and California Welfare and Institutions Code has increased  
27 by more than 75%. At the same time, the reimbursement rates paid by the state have remained  
28 virtually unchanged from those established in the 1990-1991 fiscal year. As a result, the

1 reimbursement rates from DSS no longer cover the costs of providing the required basic  
2 necessities to the foster care children at David & Margaret Youth and Family Services.

3 Unfortunately, this has caused us to lay-off four social workers, three case managers and four  
4 child care workers. This staff reduction has, in turn, caused us to reduce the services we offer  
5 our residents to the bare minimum.

6 7. The deficient reimbursement rates have also caused us to reduce the size of our  
7 program. Our facility currently has beds for fifty girls, a significant reduction from the eighty-  
8 four beds David & Margaret Youth and Family Services provided prior to March 1, 2004.

9 8. We have also had to phase out our special program for children with learning  
10 disabilities because we can no longer afford to operate the program. The program helps  
11 participants with reading and learning skills and is very successful at helping participants  
12 overcome their learning disabilities. The majority of our residents have some form of learning  
13 disability and there are currently at least twenty-five girls at our facility who would benefit from  
14 participation in the program. Unfortunately, because of inadequate funding, only three girls are  
15 currently participating and no new residents will be accepted into the program. We now only  
16 accept private clients who can afford to pay for the cost of their participation in the program.

17 9. We have also had to freeze staff wages and benefits. In the past, this made it  
18 difficult to attract and retain qualified staff with the education, training and experience to  
19 understand the emotional and behavioral issues confronting the children and provide them with  
20 appropriate support and care.

21 10. I am informed and believe that in July 2009, the State of California passed its new  
22 budget for 2009 (the "2009 Budget"). The 2009 Budget includes a 10% reduction in the DSS  
23 reimbursement rates for foster care maintenance payments.

24 11. The 2009 Budget's 10% reduction in DSS reimbursement rates will further  
25 increase the gap between, on the one hand, the amount necessary to provide the required basic  
26 necessities under the Child Welfare Act and, on the other hand, the amount David & Margaret  
27 Youth and Family Services actually receives from DSS. This reduction will significantly affect  
28 David & Margaret Youth and Family Services and the foster children under its care. In

1 anticipation of this cut, we have already eliminated our staff pension match program and  
2 anticipate that we will need to institute a staff pay-cut and make further reductions in the size of  
3 our staff.

4 12. Because we anticipated the 10% reduction in DSS reimbursement rates, we have  
5 reduced our operating budget for the next three months by \$77,467. We anticipate that we will  
6 need to reduce our 2010 operating budget by \$300,441. The reduction in our operating budget  
7 directly impacts the children in our residential program. For example, we have cut back on or  
8 eliminated recreational and enrichment activities. Additionally, although we have maintained  
9 the mandated standards of care, there are not as many staff members available to supervise the  
10 children. We have also reduced the size of our maintenance department, which means that  
11 repairs to our facilities are not handled as quickly as they used to be. We may also need to  
12 consider the possibility of further reducing the number of girls that we serve.

13 I declare under penalty of perjury under the laws of the United States of America  
14 that the foregoing is true and correct.

15 Executed on 9/17, 2009, at La Verne, California.

16  
17 Charles C. Rich  
18 Charles C. Rich