



## **AB 118 Protections for Adopted Children in Out-of-State Facilities**

**July 2025**

### **Overview**

AB 118 (2025) is designed to protect children who are adopted from California foster care from placement in substandard and dangerous facilities that take them far away from their adoptive family. It does this by imposing restrictions on out-of-state placements funded by the California Adoption Assistance Program (AAP).

AAP will pay for an out-of-home placement for children adopted from California foster care if (1) the placement is necessary for the temporary resolution of mental or emotional problems related to a condition that existed before foster care placement, (2) the placement is made as part of a plan for return of the child to the adoptive family, and (3) the adoptive family actively participates in the plan.

When the child's adoptive family lives in California, the placement facility must be licensed as a California Short-Term Residential Therapeutic Program (STRTP).

When the adoptive family lives in another state:

- (1) AB 118 provides AAP funding **only** when:
  - (a) one or more of the child's adoptive parents live in the state where the facility is located, and
  - (b) the facility meets criteria specified in AB 118.
- (2) The placement may not exceed 12 months, although it may continue for an additional 60 days if necessary to transition the child home.

To monitor these placements, counties will report specified information to the California Department of Social Services (CDSS).

The new requirements are codified in Welfare and Institutions Code (WIC) section 16121.5.

### **Background**

In 2021, AB 153 phased out California's use of out-of-state facilities for foster care placements. This action was taken in response to reports of deaths, injuries, and other harms foster children suffered in those facilities. As of 2023, out-of-state facilities were no longer used for children in California foster care.

This year, AB 118 provides the same protection for children adopted from California foster care when an out-of-home residential placement is paid for by AAP.

## Facility Criteria

The designation of the placement facility is made after consultation with the adoptive family by CDSS or the licensed county adoption agency responsible for determining AAP eligibility and the payment amount.

However, the facility must meet the following criteria:

- (1) licensed and in good standing or otherwise approved and in good standing by the applicable state or tribal agency;
- (2) eligible as a Title IV-E placement in the state in which it is situated;
- (3) provides an integrated program of specialized and intensive care and supervision, services and supports, and short-term, 24-hour trauma-informed care and supervision to children;
- (4) has a trauma-informed therapeutic focus to treat a child's mental health, behavioral health, emotional health and attachment needs; and
- (5) has a mental health clinic program.

AB 118 calls these facilities "out-of-state residential treatment facilities," but facilities that meet the required criteria may be called by another name, including a group home, a residential facility, or a residential care treatment facility.

AAP will **not** be paid for:

- (1) wilderness programs;
- (2) boot camps;
- (3) detention facilities, or any facility operated primarily for the detention of youth who are involved in the juvenile justice system; or
- (4) academies or schools, including but not limited to boarding schools and military schools.

## AAP Authorization, Proof, and Verification

To authorize AAP payment for the placement, CDSS or the licensed county adoption agency responsible for determining AAP eligibility and the payment amount must determine that:

- (1) one or more of the adoptive parents live in the state in which the residential treatment facility is located, and
- (2) the placement is justified by a specific condition and does not exceed a 12-month cumulative period of time; however, for the purpose of transitioning the child home, payment may be continued for an additional 60 days if the child remains in the facility.

Before AAP is authorized, the adoptive family must provide proof of licensing and accreditation (which is required for IV-E eligibility) to CDSS or the licensed county adoption agency responsible for determining the child's AAP eligibility and the payment amount.

The adoptive family must provide verification that the proposed placement facility is:

- (1) licensed or otherwise approved by the applicable state or tribal authority;
- (2) in good standing;
- (3) eligible as a Title IV-E funded placement; and
- (4) a Qualified Residential Treatment Program (Q RTP) as required by Title IV-E.

The documentation must originate from the governmental agency or tribal authority that licenses or approves the facility or the appropriate state or tribal Title IV-E agency.

### **AAP Payment**

AAP will pay the **lesser** of:

- (1) the California STRTP rate, or
- (2) the facility rate determined by the ratesetting authority in which the facility is located.

When California's Foster Care Tiered Rate Structure is implemented, AAP will pay the **lesser** of:

- (1) the sum of
  - (a) the Tier 3 + Care and Supervision rate;
  - (b) the Tier 3 + administrative rate; and
  - (c) the Tier 3 + Immediate Needs Funding, or
- (2) the facility rate determined by the ratesetting authority in which the facility is located.

### **Prior AAP Agreements**

AB 118 will not change or invalidate the terms or conditions of AAP Agreements that were executed before June 30, 2025, as long as the child remains in the placement. The time frame for the AAP cannot exceed the amount in the agreement unless the agency and adoptive parents agree on an additional 60 days for the purpose of transitioning the child home.

### **Data Collection**

Starting September 1, 2025, county adoption agencies must provide annual reports to CDSS that include:

- (1) the total number of children in out-of-state residential treatment facilities;
- (2) the name and location of each out-of-state residential treatment facility during the reporting period; and
- (3) the number of days each child placed in an out-of-state residential treatment facility remained in that facility.

## **Wraparound**

Wraparound services are often provided to avoid the need for out-of-home placement. CDSS will engage child welfare advocates, county child welfare agencies, tribes, and interest stakeholders to update policies regarding the use of AAP for wraparound and out-of-home placements. Statutory changes are due to the legislature no later than February 1, 2026.

## **Implementation**

CDSS will:

- (1) provide guidance to counties regarding the steps necessary to document the proof and verification requirements, and
- (2) develop processes to regularly document that the out-of-state residential treatment facility continues to meet the requirements.

CDSS can initially implement, interpret, or make specific these changes by issuing an All-County Letter (ACL) or similar written instructions and forms, but once the Foster Care Tiered Rate Structure is implemented, regulations must be promulgated no later than January 1, 2031.