

**SUBCOMMITTEE #3:
Health & Human Services**

**Chair, Senator Ellen Corbett
Senator Bill Monning
Senator Mike Morrell**



**May 21, 2013
10 A.M.
Room 4203, State Capitol**

AGENDA: PART B

Staff: Samantha Lui

OUTCOMES

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ISSUES RECOMMENDED FOR VOTE-ONLY**5160 Department of Rehabilitation****1. California PROMISE Initiative (CaPROMISE) Grant**

Background. CaPROMISE seeks to develop and implement model demonstration projects that promote positive outcomes for 14- to 16-year old Supplemental Security Income (SSI) recipients and their families. The grant award is \$10 million per year, with a \$50 million maximum, and is 100 percent federal funds without a state match requirement.

Governor's January Proposal. At the March 27, 2013 hearing, the Subcommittee approved the department's requests of \$10 million in federal budget authority for the California PROMISE Initiative (CaPROMISE) federal grant, which begins October 1, 2013, to September 30, 2019. The proposal requests six permanent, full-time positions, at a cost of \$620,000, for the required administrative and program oversight, and to perform mandated accounting, contracting, and data management activities. Federal funding will cover position costs (salary and benefits) and all ancillary costs, such as travel, supplies, operational expenses, and equipment. The positions are as follows:

- One staff manager,
- Three associate governmental program analysts,
- One accounting officer specialist, and
- One office technician.

Proposed Provisional Budget Bill Language.

Add provision to Item 5160-001-0890

X. The Department of Finance and Department of Rehabilitation shall determine the appropriateness of maintaining funding for permanent positions included in Item 5160-001-0890 for the California PROMISE Grant project in the fiscal year 2019-20 Budget or upon completion of the grant period, whichever is later.

Staff Recommendation. Re-open the item to adopt budget bill language that requires the Department of Finance and the Department of Rehabilitation, in fiscal year 2019-20 or upon completion of the grant period, determine the appropriateness of funding for the permanent positions.

Approve (3-0).

5180 Department of Social Services - Child Welfare Services

1. Title IV-E California Well-Being Waiver Project

(Issue 151)

May Revision. To support a full-five year extension and expansion of the Title IV-E California Well-Being Waiver Project, the Administration requests extension of two current limited-term positions and the reinstatement, or establishment, of new five-year limited-term positions (see chart below):

Title IV-E California Well-Being Project (Project) FY 2014-15		
Departmental Project Responsibility	Classification	Total
Overall project oversight; project reporting and Children and Family Services Division policy direction	1.0 SSC III (Extension) 1.0 SSC III (Establish) 1.0 SSM I (Re-establish) 1.0 AGPA (Establish) 0.5 Attorney (SC III) (Establish)	4.5
Claiming, payment and fiscal reporting activities	1.0 AAA (Extension) 2.0 AAA (Establish) 1.0 AAS (Establish) 1.0 Sr. AO (Specialist)/Establish	5.0
Fiscal analysis, oversight of fiscal reports and fiscal contribution of project evaluation reports, county data, monitoring and oversight activities	1.0 SSM I (Specialist)/Establish 1.0 SSM I (Superv)/Establish 3.0 RA II (Research Analysts)/Establish	5.0
Evaluation activities and contract management and oversight	1.0 RPS II (Establish)	1.0
		15.5

Additionally, the proposal requests contract funding of \$1,250,000 (\$625,000 GF) per year for the next five years to fund the evaluation of the Project.

The proposal also includes the following provisional budget bill language to be added to Item 5180-001-0001, allowing for the revision of this resource request to provide the Department with the required level of support as determined by the final number of participating counties and negotiated Administration for Children and Families' Terms and Conditions.

Add the following provision to Item 5180-001-0001:

Of the amount appropriated in this item, \$1,527,000 is available to support increased workload associated with the expansion of the Title IV-E Child Welfare Waiver Demonstration Project. Notwithstanding any other provision of law, the Department of Finance is authorized to increase or decrease this amount based on (a) the final contractual Waiver Terms and Conditions agreement entered into by the State Department of Social Services and the federal

Administration for Children and Families, and (b) the total number of counties opting into the Waiver, not sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations, unless the chairperson of the joint committee, or his or her designee, imposes a lesser time.

Staff Comment. The item was discussed and held open at the Subcommittee's May 19, 2014 hearing. Staff notes the value of the Title IV-E waiver, as it supports child welfare practice, program, and system improvements for early intervention, reunification efforts, and reduction in out-of-home placements. The department indicates that it is having ongoing discussions with the federal Administration on Children and Families and anticipates implementation of the extended waiver by October 2014.

Staff Recommendation. Due to the uncertainty of the number of participating counties, staff recommends adopting placeholder budget bill language for this issue, providing DSS the authority to hire up to five positions as of July 1, 2014 for implementation of the waiver, with the authority for the Department of Finance to authorize up to 10.5 additional positions and associated funding upon final federal approval of the waiver and contingent upon the final number of participating counties in the waiver extension. Any increase beyond the initial five positions also would be subject to 30-day prior notification in writing to the Joint Legislative Budget Committee and the fiscal committees in each house of the Legislature, unless the chairperson of the JLBC, or his or her designee, imposes a lesser time.

Approve (2-1, Morrell voting no).

2. Foster Youth Permanency

Proposal. Provide start-up capital for two counties to create or expand specialized youth permanency programs, with provisions that each county track and reinvest savings, replicating a model pioneered by Sacramento County. First-year costs: \$750,000 with annual, ongoing costs of \$1.2 million until fiscal year 2018-19.

Staff Recommendation. The Subcommittee heard this proposal during its May 1, 2014 hearing. Staff recommends approving the funding request.

Approve (3-0).

3. Services to Support Child Victims of Sexual Exploitation

Proposal. The proposal, among other items, seeks to:

- (1) Create county coordinator position to serve as a liaison with other first responders.
- (2) Provide funding for additional caseworkers in 12 large counties.
- (3) Provide training for staff, caseworker, and local partners.
- (4) Provide an enhanced foster care rate for placements.
- (5) My Life, My Choice Training for foster youth, ages 11-17 (both probation & foster).

First-year costs: \$40.563 million (\$20.282 million GF)

Ongoing costs: \$28.517 million (\$14.259 million GF)

Proposed Placeholder Trailer Bill Language.

The Legislature finds and declares that in order to adequately serve minors who have been sexually exploited or trafficked, it is necessary that counties develop and utilize a multidisciplinary team approach to case management, service planning, and provision of services and that counties develop and utilize interagency protocols to ensure services are provided as needed to this population.

Staff Recommendation. The Subcommittee heard this proposal during its May 1, 2014 hearing. Staff recommends approving the funding request and adopting proposed placeholder trailer bill language.

Approve (2-1, Morrell voting no).

4. Child Care Worker Age Limit in Group Home

Proposal. Increase the qualifications for group home staff by increasing the minimum age to 21. The current age qualification requirements for group home staff are set at 18 years old.

Proposed Placeholder Trailer Bill Language.

Section 1502.36 is added to the Health and Safety Code to read:

1502.36 (a) Each Person employed on the staff of a group home for foster youth as defined in paragraph (13) of subdivision (a) of Section 1502 shall be at least 21 years of age.

Staff Recommendation. The Subcommittee heard this issue during its May 1, 2014 hearing. Staff recommends adopting the placeholder trailer bill language to increase the minimum age requirements of staff of a group home for foster youth to be at least 21 years of age.

Approve (3-0).

5. Request to Collect Social Worker Caseload Data

Proposal. To require the Department of Social Services (DSS) to begin collecting data on county Child Welfare Services social worker caseloads, and to provide such data during its annual realignment report.

Specifically, the proposed language:

Section 10104 of the Welfare and Institutions Code is amended to read:

10104. It is the intent of the Legislature to ensure that the impacts of the 2011 realignment of child welfare services, foster care, adoptions, and adult protective services programs are

identified and evaluated, initially and over time. It is further the intent of the Legislature to ensure that information regarding these impacts is publicly available and accessible and can be utilized to support the state's and counties' effectiveness in delivering these critical services and supports.

(a) The State Department of Social Services shall annually report to the appropriate fiscal and policy committees of the Legislature, and publicly post on the department's Internet Web site, a summary of outcome and expenditure data that allows for monitoring of changes over time.

(b) The report shall be submitted and posted by April 15 of each year and shall contain expenditures for each county for the programs described in clauses (i) to (vii), inclusive, of subparagraph (A) of paragraph (9) of subdivision (f) of Section 30025 of the Government Code.

(c) The report shall also contain the amount of growth funds per county, child welfare service social worker caseloads per county, the number of authorized positions in the local child welfare service agency, and the number of vacant positions in the local child welfare service agency.

(d) ~~(e)~~ The department shall consult with legislative staff and with stakeholders to develop a reporting format consistent with the Legislature's desired level of outcome and expenditure reporting detail. Counties shall cooperate with the department to provide the information necessary for the report.

Staff Recommendation. The Subcommittee heard and held open this issue during its May 19, 2014 hearing. Staff recommends adopting placeholder trailer bill language.

Approve (2-1, Morrell voting no).

5180 Department of Social Services -- Community Care Licensing**1. Quality Enhancement and Program Improvement**

Governor's Budget Proposal. The Governor's budget includes \$7.5 million (\$5.8 million GF) and 71.5 positions for quality enhancement and program improvement measures. The additional positions and resources seek to improve the timeliness of investigations; help to ensure the CCL Division inspects all licensed residential facilities at least once every five years, as statutorily required; increase staff training; and, establish clear fiscal, program, and corporate accountability. The budget provides for increased training for new field staff and training for supervisors and managers by expanding the Licensing Program Analyst academy, implementing ongoing training, strengthening the Administrator Certification Section, and creating a mental health populations unit. The Administration also proposes to increase civil penalties for types of serious noncompliance, including zero-tolerance violations, repeat violations, and failure to correct. The proposal also includes language to increase licensing application fees and licensing annual fees. In addition, the proposal seeks to create a specialized complaint hotline, centralize application processing, and outlines a process for temporary manager or receivership.

Staff Comment and Recommendation. The Subcommittee heard and discussed this issue at its March 13, 2014 hearing. Staff recommends the Subcommittee amend the proposed trailer bill language and adopt placeholder trailer bill to effectuate the following:

- Delayed implementation of the proposal, no sooner than October 1, 2014.
- A plan to increase annual inspection frequency that begins no later than April 1, 2015.
- Remove specified language pertaining to penalty rate structure to be replaced with intent language regarding scope of penalties.
- Add procedures that the Department of Social Services must implement to minimize the trauma of residents or clients at risk of physical or mental abuse, abandonment, or any other substantial threat to health or safety following a temporary suspension or revocation of a license.

Approve (2-1, Morrell voting no).

2. AB 1217: Home Care Services Consumer Protection Act

January Budget Proposal. The budget requests \$1,472,000 in General Fund for vendor contract funding (\$251,000) and ten positions (seven permanent; two one-year limited-term; and, one two-year limited-term) to establish, and maintain, the operational and administrative components of the Home Care Services Consumer Protection Act (AB 1217, Lowenthal). The positions and related divisions include:

- Community Care Licensing: one staff services manager; two associate governmental program analysts; and, one office technician.
- Legal Division: one attorney.
- Information Systems Division: two staff programmer analysts; two one-year limited term staff programmer analyst; and, one senior information systems analyst.

The Administration also includes a trailer bill, which, among other provisions, contains the following:

1. Deletes language that exempts specified individuals from registration requirements for home care aides, and expands the list of individuals and entities that are not considered home care aides or home care organizations.
2. Requires the chief executive officer, or another person serving in a similar capacity, in a home care organization, to consent to a background examination.
3. Prohibits the department from issuing a provisional license to any corporate home care organization applicant that has a member of the board of directors, executive director, or officer who is not eligible for licensure.
4. Revises license renewal requirements, including insurance and workers' compensation policies.
5. Revises a home care organization's licensure requirements to require proof of an employee dishonesty bond.
6. Authorizes the department to cease review on an application if it is determined that the home care applicant was previously issued a license and that license was revoked.
7. Requires home care organization licensees to report suspected or known dependent adult, elder, or child abuse to the department. Upon receipt of these reports, the department must cross-report the suspected or known abuse to local law enforcement and Adult Protective Services or Child Protected Services.
8. Authorizes home care organization applicants and home care aide applicants, who submit applications prior to January 1, 2016, to provide home care services without meeting the tuberculosis examination requirements, provided that those requirements are met by July 1, 2016.

Staff Recommendation. Approve request as budgeted and approve corresponding placeholder trailer bill.

Approve (2-1, Morrell voting no).

5180 Department of Social Services - In-Home Supportive Services (IHSS)**1. Federal Fair Labor Standards Act**

Governor's Proposal. The budget recognizes the new FLSA regulations, effective January 1, 2015, and provides that implementation of federal requirements will cost \$208.9 million (\$99 million General Fund) in 2014-15 and \$327.9 million (\$153.1 million General Fund) annually thereafter. The \$208.9 million breakdown is as follows:

- Approximately \$68.6 million (\$32 million GF) for FLSA regulations and creating a provider backup system (around \$7.5 million would be allocated to modify CMIPS-II data software to maintain workweek agreements; track provider hours; update policies, instructions, and provider timesheets; and, add new activities, such as wait time during medical accompaniment and mandatory training);¹
- \$87 million (\$40 million GF) for FLSA compliance² (\$81 million [\$37 million GF] for medical accompaniment wait time; \$6 million [\$3 million GF] for travel time; and, mandatory provider training); and,
- \$53 million (\$27 million GF) to implement overtime restrictions (social workers in county welfare departments work with IHSS recipients to create and review workweek agreements for all recipients).

May Revision. The May Revision adjusts the January estimates.

Staff Recommendation. The Subcommittee heard the Governor's January budget proposal on March 13, 2014. Staff recommends rejecting the proposed trailer bill language pertaining to FLSA. As a result, staff recommends augmenting \$66 million for costs to implement payment for overtime.

Approve (2-1, Morrell voting no).

2. Restoration of the Seven-Percent Reduction

Proposal. Restore the seven-percent across-the-board services cut to all IHSS recipients with funding from the state General Fund, until the home health assessment (assessment) is enacted. Upon enactment of the assessment, the revenues generated will off-set the General Fund portion of the 7% reduction. The Legislative Analyst Office estimates restoration of the seven-percent across-the-board cut as \$186.7 million GF.

¹ Due to a technical budget error, the Administration overestimated the cost associated with paying for authorized services delivered by a backup provider by \$22 million GF in 2014-15 and \$48 million GF in 2015-16. After correcting the error, the Administration estimates that the proposal to restrict overtime for all IHSS providers, including administrative activities to prevent overtime and maintain the Provider Backup System would cost \$52 million (\$25 million GF) annually.

² The budget provides that 85 percent of recipients will have a provider accompany them to medical visits, where providers will spend three hours per month waiting for recipients to complete their appointments. Each month new providers will attend a two-hour mandatory orientation training.

Staff Recommendation. Adopt placeholder trailer bill language to eliminate the seven percent reduction in program hours and amend the 2010 assessment statute on personal care services, effective October 1, 2014. The delayed date is due to the need to update CMIPS II programming. Upon enactment of the assessment, federal financial participation will backfill General Fund IHSS expenditures. Staff recommends augmenting the budget by \$140 million for associated costs.

Approve (2-1, Morrell voting no).

5180 Department of Social Services -- CalWORKs**1a. Suspend CalWORKs 24-month Time Clock**

During the Subcommittee's May 1, 2014 hearing, the Subcommittee heard testimony regarding the implementation of CalWORKs structural and programmatic reforms, including the roll-out of early engagement strategies, such as family stabilization, the Online California Assessment Tool, and subsidized employment. Advocates express continued concerns that they have yet to see the intended impacts of the increase in flexibility regarding hours in the reforms associated with the 24-month clock.

Staff Recommendation. Due to lack of full implementation of CalWORKs reform, suspend CalWORKs 24-mo. time clock until six-months after the full implementation of CalWORKs early engagement strategies, including Online California Assessment Tool (OCAT), family stabilization, subsidized employment. Approve placeholder language to conform to these changes.

Approve (2-1, Morrell voting no).

1b. Family Stabilization

Family stabilization (FS) is intended to increase client success during the flexible WTW 24-Month Time Clock period by ensuring a basic level of stability: intensive case management and barrier removal services. Clients must have a "Stabilization Plan" with no minimum hourly participation requirements, and six months of clock-stopping is available, if good cause is determined. Advocates have raised the concern that participants of family stabilization may be at increased risk of sanction status, despite the original intent of family stabilization being an activity to provide interventions for families in crisis.

Uncodified Provisional Language.

Uncodified Placeholder Section X.

X It is the intent of the Legislature to clarify that the Family Stabilization Program within CalWORKs is a voluntary activity intended to provide constructive interventions for parents and to assist in barrier removal for families facing very difficult needs. Participants in Family Stabilization are encouraged to participate, but there is no intention that parents be sanctioned as part of their experience in this program component.

Staff Recommendation. Adopt uncodified placeholder language pertaining to family stabilization.

Approve (2-1, Morrell voting no).

1c. Countable Hours

Proposal. SB 1041 requires recipients to meet hourly work requirements "each week." Advocates have expressed concern that this has been explicitly interpreted to discount a client's efforts at work

participation if he or she was short one hour a week or has other scheduling needs but would otherwise meet the monthly participation rate.

Staff Recommendation. Adopt placeholder trailer bill language to allow recipients to meet hourly work requirements if the weekly average over the entire month meets the weekly requirement.

Approve (2-1, Morrell voting no).

2. CalWORKs Welfare-to-Work Performance Oversight State/County Peer Review

Governor's Proposal. The Department of Social Services (DSS) requests eight positions and \$980,000 to support the county peer review process, quality control reviews for the Temporary Assistance to Needy Families (TANF) program, and field monitoring visits to monitor the implementation of recent CalWORKs changes. Specifically, the eight positions are as follows:

- Two staff services managers;
- Two research analysts; and,
- Four associate governmental program analysts in CalWORKs Employment Bureau.

Staff Recommendation. Reject proposal. The Subcommittee discussed and held open this item during its May 1, 2014 hearing.

Approve (2-1, Morrell voting no).

3. Parent-Child Engagement Pilot Project

Governor's January Budget. The budget proposes a three-year, six-county pilot project to serve 2,000 low-income families, and to connect 3,200 preschool-age children between the ages of Under the pilot, child care will be provided in a stable environment, and parents must work with their child for an average of ten hours per week for at least six months. Child care providers will work directly with parents through mentoring. The proposal assumes the first cohort of families to enroll in March 2015 and the second cohort in 2016. The budget projects a \$9.9 million General Fund (GF) cost in 2014-15, and a total of \$115.4 million GF over three years.

Full-time child care will be provided throughout the entire project, if the parent completes the parental involvement component. Based on the weighted statewide average of monthly preschool age in a child care center at the 85th percentile of the 2005 RMR survey, full-time and part-time care cost per case is \$873.40 and \$732.31, respectively. Monthly cost per case for parental involvement is \$335.

The budget includes an accompanying trailer bill, which contains the following provisions:

1. Expresses the Legislature's intent in authorizing a three-year pilot project, in up to six counties, to demonstrate improved outcomes for CalWORKs hardest-to-serve families, including sanctioned families and their preschool aged children;
2. Sets forth information that a county must include in its proposal, prior to being selected as a project site, such as:

- a. How the county plans to attain the project goals.
- b. The basis of its project plan (e.g., Child-Parent evidence-based model, or an alternate model).
3. Requires participating counties to prepare and submit progress reports, annual reports, and a final report, on a schedule determined by DSS;
4. Requires counties to measure the program's success based on the following outcomes:
 - a. Regular child care attendance;
 - b. Continuity of parental involvement for at least the first six months of a family's participation;
 - c. Reduce barriers to achieving self-sufficiency, including improved parental employment history, as determined by caseworker review; and,
 - d. Improved school readiness of participating children, as assessed using a standardized tool to measure cognitive, emotional, and social skill development.
5. Authorizes the Department of Social Services (DSS) to terminate any, or all, of the pilot projects after six months of operation, if DSS receives information that the project is not cost-effective or adversely impacts recipients.
6. Authorizes DSS to waive specific statutory requirements, regulations, and standards, by formal order of the director, for the purpose and duration of the project.
7. Authorizes a participating county to dis-enroll children from the project who have unsatisfactory child care attendance, after project representatives have actively attempted on multiple occasions to engage the family, to allow the child care slot to be utilized by a new participant.
8. Authorizes the department to implement and administer the pilot project through all-county letters or a similar mechanism.

Staff Recommendation. The Subcommittee heard this item during its joint-hearing with Subcommittee 1 on Education on April 10. Conform to action taken in Senate Subcommittee 1- Education.

Approve (2-1, Morrell voting no).

4. Eliminate Temporary Assistance Program

Governor's January Budget. The department proposes trailer bill language to eliminate the Temporary Assistance Program. Specifically, the trailer bill's provisions repeal:

1. The requirement that the Department of Social Services (DSS), effective October 1, 2014, administer TAP for current and future California Work Opportunity and Responsibility to Kids (CalWORKs) recipients who meet exemption criteria for work participation activities, and are not single parents who have a child under the age of one year old.
2. The authorization that eligible CalWORKs recipients have the option of receiving grant payments, child care, and transportation services from TAP.
3. The requirement that DSS enroll CalWORKs recipients and applicants into the program, unless recipients or applicants provide written indication that they would not like to receive assistance from TAP.
4. Language that specifies state General Fund resources for grant payments, child care, transportation, and eligibility determination activities for families receiving TAP benefits.

5. Intent language that specifies that TAP recipients have and maintain access to the hardship exemption and services necessary to begin and increase participation in welfare-to-work activities.

Proposed Trailer Bill Language.

Amend subdivision (a) Section 11320.32 of the Welfare and Institutions Code to read:

...“no later than October 1, ~~2014~~ 2016.”

Staff Recommendation. Amend the Governor’s proposal and adopt trailer bill language to retain the Temporary Assistance Program but extend the implementation deadline from October 1, 2014 to October 1, 2016.

Approve (2-1, Morrell voting no).

5180 Department of Social Services - CalFresh

1. Disaster Supplemental Nutrition Assistance Program

May Revision. The Administration proposes provisional budget bill language to authorize an increase in GF and Federal Trust Fund expenditure authority for food stamp administrative costs in the event of a major disaster declaration by the President of the United States. Specifically:

Addition of Provisional Language to Budget Bill Item 5180-141-0001:

X. In the event of a declaration of a major disaster by the President of the United States, and upon request of the State Department of Social Services following approval by the United States Department of Food and Agriculture’s Food and Nutrition Service, the Department of Finance may increase expenditure authority in this item in order to fund the administrative costs of a Disaster Supplemental Nutrition Assistance Program food assistance program.

Amendment to Provision 1 of Item 5180-141-0890 as follows:

“1. Provisions 2, 3, 4, ~~and 6,~~ and X of Item 5180-141-0001 also apply to this item.”

Proposed Amended Provisional Budget Bill Language.

Addition of Provisional Language to Budget Bill Item 5180-141-0001:

X. The Department of Finance may increase expenditure authority in this item for the State Department of Social Services in order to fund the administrative costs to prepare for and respond to a declaration of major disaster by the President of the United States and to maximize the amount of assistance requested and received through the federal Disaster Supplemental Nutrition Assistance Program and other federally funded nutrition assistance programs.

Amendment to Provision 1 of Item 5180-141-0890 as follows:

“1. Provisions 2, 3, 4, ~~and 6,~~ and X of Item 5180-141-0001 also apply to this item.”

Staff Recommendation. The Subcommittee heard and held open this item during its May 19, 2104 hearing for further discussion with stakeholders. Adopt the proposed amended trailer bill language and corresponding language to the item.

Approve (2-1, Morrell voting no).

2. CalFresh Administration Match Waiver

Proposal. A five-year phase out of the CalFresh Administration Match Waiver that would reduce in equal increments over that time period the portion of a county’s GF allocation that it could access without increasing its matching funds beyond the county’s CalWORKs/CalFresh MOE. In 2014-15, a

county would still have the ability to draw down the full portion of its GF allocation as long as the county fully meet its maintenance of effort (MOE) in the CalFresh program. Beginning in 2015-16 and for the next three fiscal years, the portion of the GF allocation that could be accessed once a county meets its MOE would decline by 20 percent per year to zero. Any county that is able to increase its CalFresh Administration spending above its MOE level would continue to be able to draw down GF up to the county's GF allocation.

Background. The match waiver was originally enacted for two years beginning in 2010-11 and was extended through the 2013-14 fiscal year. According to the California Welfare Directors Association, based on preliminary data for 2012-13, the match waiver enabled 33 counties to spend about \$35 million GF (\$70 million total funds) on the CalFresh program that they otherwise would not have been able to spend because they would not have been able to put up county funds for the match.

Staff Recommendation. Effective July 1, 2015, and for the following four fiscal years, the portion of the General Fund allocation that can be accessed after a county meets its MOE will phase-out incrementally.

Approve (3-0).

0530 Health and Human Services Agency, Office of Systems Integration
5180 Department of Social Services -- Child Welfare Services

1. Child Welfare Services - New System Project (CWS-NS)

April Letter. The proposal requests seven five-year limited-term positions, and a five-year extension for nine existing two-year limited-term positions. In addition, the budget requests, in 2013-14, a net decrease in the Office of Systems Integration (OSI) costs for \$93,000 and a net decrease in Department of Social Services (DSS) costs of \$1.8 million. For budget year, the proposal requests an increase in OSI costs for \$2.42 million and a net decrease in DSS costs for \$1.2 million. The Spring Finance Letter was held open for further discussion.

May Revision. The Administration requests a decrease of \$22,247,000 (\$11,278,000 Federal Trust Fund, \$9,695,000 General Fund, and \$1,274,000 reimbursements) to accommodate this 19-month project delay and the inclusion of licensing functionality for the Community Care Licensing Division within DSS. The Department of Technology has approved a Special Project Report that includes a new funding plan associated with this delay and scope increase.

Proposed Provisional Budget Bill Language.

Add provision to Item 5180-001-0001:

X. The Department of Finance and Department of Technology shall determine the appropriateness of maintaining funding for permanent positions included in this item and Item 5180-001-0890 for the Child Welfare Services-New System project during the development of the fiscal year 2019-20 Budget or after implementation of the project is completed, whichever is later.

Add provision to Item 0530-001-9745:

X. The Department of Finance and Department of Technology shall determine the appropriateness of maintaining funding for permanent positions included in this item for the Child Welfare Services-New System project during the development of the fiscal year 2019-20 Budget or after implementation of the project is completed, whichever is later.

Proposed Supplemental Reporting Language.

Commencing August 2014 the Department of Social Services and the Office of Systems Integration will provide monthly updates to the Legislature and to stakeholders, including the California Welfare Directors Association, regarding efforts to develop and implement the CWS-NS Project. The updates shall include, but not be limited to: (1) the vacancy rate, the duration of each vacant position and its classification, and the status of efforts to fill the position, (2) challenges with recruiting and retaining qualified staff and a description of efforts to resolve the issues, (3) challenges with procurement, including any delays, and a description of efforts to resolve the issues, (4) any issues or risks, including but not limited to pending state and federal approvals, that may jeopardize the project's completion or result in delays relative to the

approved project schedule, budget, and scope and (5) progress on and projected completion dates for any significant upcoming project milestones. This reporting requirement shall be reviewed and modified as necessary upon the completion of the procurement phase of the CWS-NS Project and the signing of the contract with the selected primary vendor.

Staff Recommendation. Approve requests as amended, adopt proposed budget bill language, and adopt placeholder supplemental reporting language.

Approve (2-1, Morrell voting no).

2. Case Management Information & Payrolling System II

Governor's January Budget. The Administration requests to align the Office of Systems Integration (OSI) spending authority with the CMIPS II system rollout and transition to Maintenance and Operations (M&O) in 2013-14 and 2014-15. Specifically, the budget proposes an increase of \$115,000 in OSI spending authority and a corresponding increase of \$2.9 million in the DSS Local Assistance for FY 2013-14, and a net decrease in OSI spending authority of \$33.7 million for the budget year. The proposal also includes authority for ten new permanent state staff (\$1.48 million) and a corresponding decrease of \$36.7 million in the DSS Local Assistance.

Correspondingly, the DSS budget requests six permanent positions to support the CMIPS II project in its maintenance and operations (M&O) phase. This proposal has a corresponding reduction to its Local Assistance budget as it was originally budgeted within OSI. DSS will assume the lead role for the service and support activities that were formerly outsourced. Duties in this role include system enhancements, inputting of legislatively mandated changes, validation and testing, data extraction, research, analysis, and reporting. CMIPS II will provide monthly and quarterly system updates during the M&O period that will necessitate DSS oversight, leadership, support and approval.

The Subcommittee approved the proposal during its May 8, 2014 hearing.

May Revision. The Administration's May Revision proposals for CMIPS II include the following:

(Item 0530-001-9745, Issue 407)

The Administration requests that General Fund be increased by \$17.5 million to support CMIPS II system changes needed in the budget year. As discussed during the March 13, 2014 Subcommittee hearing, necessary changes are needed to update the system to reflect the federal Fair Labor Standards Act's Final Rule, increases in the minimum hourly wage rate pursuant to AB 10 (Alejo), Chapter 351, Statutes of 2013, and enhancements to accommodate blind and visually impaired

(Item 5180-111-0001, Issue 351)

An increase of \$10 million (\$5,050,000 General Fund and \$4,950,000 reimbursements) is requested to support CMIPS II system changes needed in 2014-15, including changes related to the increase to the

state's minimum hourly wage, and enhancements to accommodate blind and visually impaired IHSS recipients.

(Item 5180, Issue 401)

The Administration requests an increase of \$511,000 (\$255,000 GF and \$256,000 reimbursements) to support three permanent and two, two-year limited-term positions to address unforeseen workload associated with the transition from the CMIPS Legacy system to CMIPS II.

Staff Recommendation. Approve as requested.

Approve (3-0).

0530 Health and Human Services Agency**1. Office of Investigations**

May Revise Proposal. The May Revision includes \$1.8 million (\$1.2 million General Fund and \$600,000 in reimbursements) for nine positions to create an Office of Investigations and Law Enforcement Support within the Health and Human Services Agency. The purpose of this office is to provide support and oversight for the public safety officers currently working within the state hospitals and developmental centers.

Recommendation. Reject the May Revision request and instead:

- Approve \$216,000 and three two-year limited term positions: one supervising special investigator two position; one training officer three position and one associate gov't program analyst position.
- Adopt placeholder trailer bill language requiring the Health and Human Services Agency staff to develop uniform training and policies and procedures for peace officers at both the state hospitals and developmental centers. In addition, HHS is required to work with system stakeholders to develop recommendations to further improve the quality and stability of law enforcement and investigative functions at both development centers and state hospitals in a meaningful and sustainable manner. Recommendations due to Legislature no later than 1/10/15
- Approve \$200,000 General Fund for the Office of the Inspector General.
- Adopt placeholder trailer bill language directing the Office of the Inspector General to prepare a recommendation for presentation to the appropriate Senate and Assembly committees to address oversight and transparency of the employee discipline process and use of force within the Department of State Hospitals. The recommendation is to include requirements for reporting of employee misconduct, and how the office of internal affairs within that department is organized, conducts investigations and reports. The recommendation is also to include a review of how the Department presents employee misconduct and discipline cases to the State Personnel Board and any changes that should be made. Finally, the presentation shall include the feasibility and cost of either bringing the state hospitals under the Inspector General's jurisdiction or creating a separate Inspector General's Office for the state hospital system.
- Adopt placeholder trailer bill language directing the California Health And Human Services Agency is directed to cooperate with the Office of the Inspector General and provide unfettered access to all requested documents and personnel.
- The Office of the Inspector General is directed to complete its inquiry and provide a report to the appropriate Senate and Assembly committees by March 1, 2015.

Approve (3-0).