

# SUBCOMMITTEE NO. 3

# Agenda

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Senator John Laird, Chair  
Senator Shannon Grove  
Senator Dr. Akilah Weber Pierson, M.D.



**Thursday, March 12, 2026**  
**9:30 am, or upon adjournment of session**  
**1021 O Street – Room 1200**

Consultant: Elizabeth Freeman

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**4170 CALIFORNIA DEPARTMENT OF AGING**

**Issue 1: California Department of Aging Overview**

**California Department of Aging – Governor’s Budget.** The California Department of Aging (CDA) administers community-based programs that serve older adults, adults with disabilities, family caregivers, and residents in long-term care facilities throughout the state. The 2026-27 Governor’s Budget includes \$437.4 million (\$163.6 million General Fund) for CDA. The majority of CDA’s budget is supported by federal Older Americans Act funding (\$235.7 million). Approximately 87 percent of CDA’s overall budget is local assistance funding.

**3-YEAR EXPENDITURES AND POSITIONS**

	Positions			Expenditures		
	2024-25	2025-26	2026-27	2024-25*	2025-26*	2026-27*
3890 Nutrition	46.4	44.9	45.9	\$201,451	\$265,974	\$234,849
3895 Senior Community Employment Service	1.0	3.8	3.8	6,896	7,795	7,748
3900 Supportive Services	78.7	83.3	83.3	136,446	143,970	144,011
3905 Community-Based Programs and Projects	15.0	9.7	9.7	19,749	21,478	25,004
3910 Medi-Cal Programs	81.0	69.9	69.9	12,146	18,432	17,174
3915 Policy & Planning	44.2	54.0	54.0	11,982	10,008	8,630
9900100 Administration	-	-	-	-	-	-
9900200 Administration - Distributed	-	-	-	-	-	-
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>266.3</b>	<b>265.6</b>	<b>266.6</b>	<b>\$388,670</b>	<b>\$467,657</b>	<b>\$437,416</b>
<b>FUNDING</b>				<b>2024-25*</b>	<b>2025-26*</b>	<b>2026-27*</b>
0001 General Fund				\$129,895	\$197,697	\$163,619
0289 State HICAP Fund				5,297	4,851	8,342
0890 Federal Trust Fund				215,272	235,388	235,719
0942 Special Deposit Fund				3,232	4,236	4,236
0995 Reimbursements				26,659	25,085	25,100
3098 State Department of Public Health Licensing and Certification Program Fund				4,650	400	400
8507 Home & Community-Based Services American Rescue Plan Fund				3,665	-	-
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$388,670</b>	<b>\$467,657</b>	<b>\$437,416</b>

**Background: California Department of Aging.** As the federally designated State Unit on Aging, CDA administers federal Older Americans Act (OAA) programs, the Health Insurance Counseling and Advocacy Program (HICAP), and two Medi-Cal programs, the Multipurpose Senior Services Program (MSSP) and Community-Based Adult Services (CBAS). CDA administers most of these programs through contracts with the state's 33 local Area Agencies on Aging (AAA). At the local level, AAAs contract for and coordinate an array of community-based services to older adults, adults with disabilities, family caregivers, and residents of long-term care facilities.

CDA is the lead department on the state’s Master Plan for Aging, a comprehensive framework to prepare the state for the growth of the 60-and-over population to 10.8 million people by 2030. By 2030 one in four California adults will be age 60 or older; this population will be more diverse, more medically complex, more likely to live alone, and more advanced in age. Major CDA programs include:

- **Medi-Cal Programs.** CDA administers two Medi-Cal programs, Community-Based Adult Day Services (CBAS) and the Multipurpose Senior Services Program (MSSP). CBAS centers are community-based day health programs that provide services to older persons and adults with chronic medical, cognitive, or mental health conditions and/or disabilities that are at risk of needing institutional care. CBAS day services include professional nursing, physical, occupational, and speech therapies, mental health, social services, transportation, personal care, and hot meals. Approximately 38,081 individuals received CBAS services in 2023-24. MSSP sites provide care management, adult day care, respite, transportation, counseling, meals, and other services through a team of health and social service professionals, serving over 10,000 participants in 2023-24.
- **Senior Nutrition Programs.** Through the state’s 33 Area Agencies on Aging (AAAs), the state provides congregate and home-delivered meals to older adults in California. Meals are provided using federal Older Americans Act funds and some state and local matching funds. The congregate meals program serves nutritious meals to older adults in in-person settings such as senior centers and also provides nutrition education. AAAs also provide home-delivered meals, through programs such as Meals on Wheels, to older adults who have limited ability to leave home unassisted. In 2024, AAAs delivered over 17 million meals to over 128,000 individuals at home and provided 6.8 million meals to over 204,000 individuals in congregate settings.
- **State Long-Term Care Ombudsman (LTCO).** The LTCO seeks to resolve problems and advocate for the rights of residents of long-term care facilities. The LTCO oversees 35 local ombudsman programs consisting of 240 paid staff and 364 volunteers who advocate on behalf of residents of long-term care facilities. These facilities include 1,189 skilled nursing and intermediate care facilities and 7,798 residential care facilities for the elderly, with a combined count of 322,218 long-term care beds.
- **Aging and Disability Resource Connections (ADRCs).** ADRCs are coordinated networks of local providers that serve as community access point for older adults, people with disabilities, and caregivers navigating long-term services and supports. ADRC partnerships provide core service functions (Enhanced Information & Referral, Options Counseling, Short-Term Service Coordination, and Facility-to-Home Transition Services) using person-centered practices and a “no wrong door” model. There are currently 25 designated ADRCs and 2 emerging ADRCs covering over 50 percent of counties.
- **Office of the Long-Term Care Patient Representative.** The Office of the Long-Term Care Patient Representative provides trained representatives for long-term care residents who may need medical treatment but lack the capacity to make health care decisions and have no legal surrogate authorized to make decisions on their behalf.

**CA2030 initiative and SB 1249.** In 2022, CDSS initiated the CA2030 initiative, with the goal of modernizing the network of local AAAs and strengthening the governance system, setting performance standards, standardizing the delivery of services across the state, and making the system easier to navigate for older Californians and caregivers across the system.

SB 1249 (Roth), Chapter 337, Statutes of 2024, directed CDA to develop regulations related to the intrastate funding formula, AAA designations and de-designations, and elevate existing statewide programs for enhanced data reporting and accountability. This involves updating planning service area and AAA designations which have remained unchanged since the early 1980s. CDA will begin accepting applications for planning service area boundary changes in January 2027 as part of this process. Additionally, once every four years, county governments and tribes will have the opportunity to apply to be an AAA provider, even if there is an existing provider in place, utilizing the Older American Act's right of first refusal for local governments.

Similarly, updating the intrastate funding formula for AAAs is part of the CA2030 initiative as this formula has not been updated since 1995. CDA drafted an updated intrastate funding formula in 2025. Before taking effect, the intrastate funding formula would need to be approved by the federal government and formalized in state statute. There is no proposal from CDA to incorporate the new funding formula into statute in the Governor's proposed 2026-27 budget; CDA anticipates this would occur in 2027-28 with the new formula phased in beginning in 2029-30.

**2025 Budget Act.** The 2024 Budget Act included the following significant changes under CDA:

- **Long-Term Care Ombudsman Program.** The 2025 Budget Act includes an increase of \$3 million in 2025-26, 2026-27, and 2027-28 from the State Health Facilities Citation Penalties Account to investigate complaints against long-term care facilities and to increase visits to those facilities for the purposes of ensuring residents' rights, safety, health, and quality of life.
- **Multipurpose Senior Services Program Case Management.** The 2025 Budget Act includes \$2.8 million General Fund in 2025-26, \$2.7 million General Fund in 2026-27, and \$1.1 million General Fund in 2027-28 and ongoing for two positions to implement a case management software system for the Multipurpose Senior Services Program (MSSP).
- **Health Insurance Counseling and Advocacy Program.** The 2025 Budget Act includes \$2.3 million Health Insurance Counseling and Advocacy Program (HICAP) special fund in 2025-26 and 2026-27 to further HICAP modernization efforts, serve more Medicare beneficiaries, and improve service and access. These funds support the continuation of one position at each local HICAP program for volunteer coordination and three positions at CDA to continue program modernization efforts.
- **No Wrong Door and Aging and Disability Resource Connections.** Supplemental Report Language requires CDA to report to the Legislature regarding implementation of a No Wrong Door System for long-term services and supports for older adults and people with disabilities, including options to build out a sustainable network of Aging and Disability Resource Connections (ADRCs).

**Local AAA Relinquishment Issues.** On September 29, 2025, the County of Ventura Area Agency on Aging (AAA) Planning and Service Area (PSA) 18 advised the California Department of Aging (CDA) that it no longer intends to provide services to eligible older adults, people with disabilities, family caregivers and residents in long-term care facilities under the Older Americans Act (OAA) and Older

Californians Act (OCA), effective July 1, 2026. Any AAA has a legal right to request voluntary termination from performing services as an AAA under federal law. CDA released a request for proposals in February 2026 to solicit a public agency or private nonprofit organization to serve as the permanent AAA for this planning service area. However, a vote by the Ventura County Board of Supervisors on March 3, 2026 reversed course and established that the Ventura County Human Services Agency will continue administration of the Ventura County AAA through June 2027.

On January 28, 2026, Central Coast Commission for Senior Citizens (the AAA serving San Luis Obispo and Santa Barbara counties) notified CDA that it has decided to voluntarily withdraw its AAA designation. This de-designation followed months of concerns related to the fiscal and program management of this AAA. CDA is assessing next steps and services in these counties are expected to continue for the duration of any transition.

**H.R. 1 Impacts to Senior Nutrition Programs.** H.R. 1 makes sweeping changes to California’s core safety net programs, CalFresh and Medi-Cal. In general, adults up to age 64 will be subject to work requirements to maintain both health care and food benefits if they are considered “able-bodied.” Beyond these impacts to the older adult population broadly, two CDA senior nutrition programs are directly affected by H.R. 1:

- **CalFresh Healthy Living Program.** Prior to H.R. 1, California received about \$132 million in federal SNAP Education funding annually to support nutrition education activities through CDA, the California Department of Public Health, and other agencies, known as the CalFresh Healthy Living program. Twenty AAAs provide evidence-based nutrition education and obesity prevention services to low-income older adults aged 60 or older at eligible sites such as congregate nutrition sites. Programming includes activities include cooking classes and fitness classes.

H.R. 1 terminates all SNAP Education funding, effective October 2025. California and other states may continue to use prior-year nutrition education funding through September 2026.

- **CalFresh Outreach.** While CalFresh is administered by the California Department of Social Services (CDSS), CDA and a network of community-based organizations administer the CalFresh Outreach Program. Through 17 AAAs covering 33 counties, AAAs provide assistance to help older adults apply for food benefits. In 2024, CDA CalFresh outreach programs assisted nearly 40,000 older adults with CalFresh applications.

Prior to H.R. 1, the federal government reimbursed states for 50 percent of CalFresh administration costs. H.R. 1 reduces the federal share to 25 percent. Consequently CalFresh Outreach programs will experience a 25 percent decrease in federal reimbursement.

### **Subcommittee Staff Comment and Recommendation – Hold Open.**

**Questions.** The Subcommittee requests CDA respond to the following:

1. Please provide an overview of the Governor’s proposed 2026-27 budget for CDA and progress towards the Master Plan on Aging.

2. Please provide a status update on recent AAA de-designation issues in Ventura and Santa Barbara/San Louis Obispo counties.
  - a. Please provide background and a description of recent issues regarding the AAA designation in these counties.
  - b. How do disruptions or changes in local AAA designation affect local ADRCs?
  - c. What is CDA's assessment of the overall strength of the AAA network in light of these recent disruptions? Does CDA anticipate more potential AAA relinquishments or de-designations in the near future as counties face increased fiscal pressures due to H.R. 1 and other changes?
  
3. Please provide a status update and a description of local program impacts as a result of (1) the federal elimination of the CalFresh Healthy Living Program and (2) the reduced federal funding for the CalFresh Outreach Program.

**Issue 2: Health Insurance Counseling and Advocacy Program Modernization**

**Budget Change Proposal – Governor’s Budget.** CDA requests \$3.49 million in 2026-27 and \$5.52 million ongoing Health Insurance Counseling and Advocacy Program (HICAP) Fund to (1) make permanent existing state and local resources included in the 2021 Budget Act, and (2) hire additional HICAP counselor positions and improve HICAP training statewide. This proposal does not include any General Fund.

**Background – HICAP Program.** Established in 1984, HICAP is California’s federal State Health Insurance Assistance Program (SHIP) which provides objective, unbiased, and consumer-oriented Medicare counseling and education services including: (1) Community education regarding Medicare Parts A and B, Medicare Part D Prescription Drug Plans, Medicare Advantage (MA) Plans, Medicare Supplement Insurance and long-term care insurance; (2) Individual health insurance counseling that provides objective and accurate comparisons of choices; (3) Informal advocacy services regarding enrollment, disenrollment, claims, appeals, prescription drug exceptions and other urgent Part D Plan coverage issues; and (4) Legal referral and, in some geographic areas, legal assistance for filing Medicare grievances and appeals. Eligibility for HICAP counseling services is limited to Medicare beneficiaries.

CDA notes that the HICAP program serves as an important alternative to private Medicare plans and brokers who have fiscal incentive to drive potential customers to specific plans. A 2022 Commonwealth Fund survey<sup>1</sup> found that consumers have increasingly turned to insurance brokers as their most commonly used source of information to guide Medicare plan choices. These insurance brokers can receive commissions based on the plans they sell, and they are not required to offer all available plan options to consumers.<sup>2</sup>

According to CDA, as the Medicare beneficiary population increases, the number of active HICAP counselors providing the services and the number of people served has decreased. Between 2018-19 and 2025-26, the number of Medicare beneficiaries residing in California increased by approximately 16.4 percent. This coincided with nearly a 26 percent decrease in active volunteer HICAP counselors, many of whom are older adults, and resulted in a nearly 10 percent decrease in the number of clients counseled.

**HICAP Modernization.** CDA began exploring options to modernize the HICAP program in 2021, leading to the completion of a HICAP Modernization Business Plan in 2024-25. The Modernization Plan centers around three key goals of increasing engagement with HICAP services, promoting equitable access, and improving the quality and consistency of services.

Since 2021-22, annual budget acts have authorized the use HICAP funds to support limited-term, half-time volunteer coordinator positions at the 26 local HICAP programs.

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<sup>1</sup> [Traditional Medicare or Medicare Advantage: How Older Americans Choose and Why](#). The Commonwealth Fund. October 2022.

<sup>2</sup> [The Challenges of Choosing Medicare Coverage: Views from Insurance Brokers and Agents](#). Commonwealth Fund. February 2023.

**Resource Request.** CDA proposes to use \$3.49 million in 2026-27 and \$5.52 million ongoing to implement Phase 1 of the HICAP Modernization Plan. These special funds would (1) make permanent the half-time volunteer coordinator position at each HICAP, (2) allow local HICAPs to hire approximately 46 new paid counselor positions (an increase of 32 percent), and (3) fund a consultant contract to develop trainings to standardize and improve the HICAP curricula. The resources requested include the following:

- **Local Assistance: new HICAP counselors.** \$3.24 million in local assistance funds will support the recruitment of approximately 46 full-time paid HICAP counseling staff across the state’s 26 HICAP sites. CDA will prioritize recruitment for bilingual staff in line with the HICAP Modernization Plan. CDA would use an allocation methodology based on county-level Medicare-eligible population data.
- **Local Assistance:** \$5.07 million in 2027-28 and ongoing will support local HICAP programs to retain paid counselors and conduct program activities that support recruiting, training, and coordinating volunteer counselors for the purpose of serving the increasing number of Medicare beneficiaries across the state. This includes making permanent the half-time volunteer coordinator positions funded through HICAP funds since 2021-22.
- **State Operations Resources.** \$250,000 one-time in 2026-27 would support a contract to standardize local HICAP training curricula with the goal of improving the quality and consistency of counseling support provided to all HICAP consumers, with a focus on individuals dually eligible for Medi-Cal. In addition, \$451,000 in 2027-28 and ongoing would make permanent 3 existing positions at CDA to continue planning and implementation of the HICAP Modernization Business Plan. These positions oversee, review, update, and provide recommendations for HICAP data collection and reporting; monitor HICAP monthly expenditures and annual budgets; and lead training projects.

According to CDA, these resources will support the HICAP program in reaching more older Californians and align with the Master Plan on Aging’s initiative to meet increased demand for Medicare counseling and enrollment assistance.

**Subcommittee Staff Comment and Recommendation – Hold Open.**

**Questions.** The Subcommittee requests CDA respond to the following:

1. Please provide a brief overview of this proposal.

**Issue 3: Meal Program for Seniors**

**Budget Change Proposal – Governor’s Budget.** CDA requests \$152,000 General Fund in 2026-27 and ongoing to support 1 position for increased oversight responsibilities for the Older American’s Act Title III-C Nutrition Program pursuant to AB 1476 (Wallis), Chapter 302, Statutes of 2025.

**Background: Senior Nutrition Programs.** The Older Americans Act (OAA) Title III-C Nutrition Program provides meals and other nutrition services to older adults through two programs. Title III-C1 provides meals and services in a group setting and the Title III-C2 program provides meals and services in the home. The programs also provide nutrition screening, nutrition education, and, in some areas, nutrition counseling. The primary goals of the Nutrition Program are to reduce food insecurity and improve the health and well-being of older adults by providing nutritious meals and opportunities for socialization.

**AB 1476.** AB 1476 updates the OAA Title III-C Nutrition Program Act to require increased oversight and support of the Area Agencies on Aging (AAAs) administering the Title III-C1 and Title III-C2 programs, particularly pertaining to the implementation of to-go meals. To-go Meals are defined as meals picked up at a local congregate site by participants 60 years of age or older (or their agent), or meals delivered to participants 60 years of age or older who prefer not to dine in a congregate meal setting. While to-go meals are allowed under both the Title III-C1 and Title III-C2 programs, AAAs have the discretion based on their community’s needs to decide if to-go meals are offered within their Planning and Service Area. Under the Title III-C1 program, to-go meals may be served in a virtual congregate setting to complement, not replace, in-person congregate meal dining. AAAs implementing to-go meals under the Title III-C1 program may require additional support to establish and maintain virtual programming such as seeking guidance and information on allowable virtual activities and approval to purchase programs and equipment to meet the virtual requirement.

**Resource Request.** CDA requests 1 Health Program Specialist position to implement AB 1476. This position would be responsible for collaborating with local AAAs to plan and implement virtual congregate meal programs and would provide ongoing monitoring, training and technical assistance to meet the increased requirements of the legislation.

**Questions.** The Subcommittee requests CDA respond to the following:

1. Please provide a brief overview of this proposal.

**5180 CALIFORNIA DEPARTMENT OF SOCIAL SERVICES****Issue 4: Ensuring Access to Medicaid Services (Access Rule)**

**Budget Change Proposal – Governor’s Budget.** CDSS requests \$2.82 million (\$374,000 General Fund and \$2,446,000 reimbursements) in 2026-27 and \$5.34 million (\$1.44 million General Fund and \$3.89 million reimbursements) in 2027-28 and ongoing, and 27 permanent positions to manage the workload associated with implementing the Centers for Medicare and Medicaid Services (CMS) Ensuring Access to Medicaid Services Final Rule.

**Background: Federal Access Rule.** In May 2024, CMS issue a new Access Rule aimed at improving access to care, quality, and health equity in Medicaid. CDSS must now implement a federal grievance process by July 9, 2026 and a critical incident management reporting process by July 9, 2027 in both the In-Home Supportive Services (IHSS) and Adult Protective Services (APS) programs.

**Resource Request.** CDSS states that the department does not have sufficient staffing to implement the processes being mandated by the federal Access Rule. CDSS requests a total of 27 positions in the Adult Programs and Lega Division and resources equivalent to 1 position in the Administration Division to meet federal mandates, including the implementation of grievance and critical incident reporting systems. Without these resources, CDSS risks noncompliance, potential fiscal penalties, and funding eligibility for IHSS and APS.

- **Adult Programs Division: 26 positions.**
  - *10 Analyst II positions* will serve as primary contacts in reviewing, analyzing, and evaluating grievances from both IHSS recipients and APS clients pursuant to the Access Rule.
  - *3 Analyst II positions* will work on integrating the Access Rule changes into the Case Management Information Payrolling System (CMIPS) to ensure all critical incidents are captured appropriately.
  - *3 Analyst II positions* will be dedicated to developing and refining policies related to the Access Rule, including drafting and implementing necessary updates to ensure that CDSS remains in compliance with federal regulations. These positions will analyze new regulatory requirements, provide guidance on policy changes, and collaborate with stakeholders to ensure effective communication and execution of updates across relevant programs.
  - *3 Analyst II positions* will be responsible for overseeing compliance with the policy implementation related to the CMS new rules for the APS program and determining how to define a critical incident for APS clients. These Analyst II positions will be the primary contact with any questions related to the Access Rule specific for APS.
  - *5 Supervisor I positions* will hire, train, and manage all program analysts responsible for developing policy, system changes, and oversee the IHSS and APS grievance process related to the new CMS rules. These positions will be responsible for oversight of each unit and for identifying and addressing resource needs. The Supervisor I positions will develop, establish, and maintain work and performance standards for quality and timeliness, as well as monitor unit activities and compliance with multi-phase plan deadlines, and provide technical assistance and support to stakeholders on the most sensitive issues.

- *1 Supervisor II position* will lead the coordination with various internal and external teams to ensure compliance with all CMS rules related to the IHSS and APS programs grievance process for IHSS recipients. This position will lead all communication and meetings related to the Access Rule and the processes established by CDSS.
- *1 RDS I position* will oversee the technical aspect of data collection related to the APS program. This position will work with multiple stakeholders to access and compile data needed for the APS program related to the new CMS requirements. They will also assist in responding to ad-hoc data requests which may come from researchers, the Legislature, and other internal and external stakeholders. This position will also provide consultative advice and support for interpreting existing reports and data models to various governmental entities.
- **Support Staff: 2 positions**
  - *1 Attorney III/IV position* will conduct research and legal analysis to provide legal opinions and policy positions related to the Access Rule. They will also be responsible for drafting and reviewing regulations, forms, and letters related to the federal rule, and will provide legal support in meetings and prepare responses regarding questions raised by the Department of Health Care Services (DHCS) and other external partners.
  - *1 Analyst II position* will assist with drafting, formatting, reviewing, and analyzing proposed regulations implemented by CDSS programs as a result of this federal mandate. They will also be responsible for maintaining the Manual of Policies and Procedure to ensure regulatory language is current and preparing and submitting Manual Letters to counties and stakeholders for updates. The Analyst II will research statutes within California Code of Regulations, Americans with Disabilities Act, and rulemaking files to advise CDSS programs, and will maintain communication with stakeholders to ensure regulation documents are agreed upon prior to moving forward with promulgation.

According to CDSS, the requested resources will allow the department to manage the increased workload associated with the new federal requirements and to fulfill its obligation to:

- Identify, track, investigate, and resolve critical incidents reported by IHSS and APS providers accurately and consistently.
- Process and track federal grievances from IHSS/APS beneficiaries accurately and consistently.
- Avoid fiscal penalties and preserve federal funding eligibility for APS and IHSS.

CDSS states that without the requested staffing resources, CDSS staff will be unable to implement, operate, and monitor the new critical incident and grievance processes within CMS' prescribed timeline. This would result in the state being out of compliance with the federal mandate and could put CDSS at risk of incurring fiscal penalties or being unable to continue receiving federal funding for IHSS and APS.

### **Subcommittee Staff Comment and Recommendation – Hold Open.**

**Questions.** The Subcommittee requests CDSS respond to the following:

1. Please provide an overview of this proposal.

**Issue 5: Housing Programs Overview**

**Governor’s Budget – CDSS Housing Programs.** CDSS housing programs provide housing support to assist families experiencing homelessness (or those at risk of being homeless) who are receiving CalWORKs, children and families involved in the child welfare system, individuals involved in Adult Protective Services, older adults, and individuals with disabilities. Specific programs include the CalWORKs Homeless Assistance (HA) and Housing Support Program (HSP), Bringing Families Home, Housing and Disability Advocacy Program, Home Safe, and the Community Care Expansion Program.

The Governor’s proposed 2026-27 budget includes \$126.8 million (\$123.6 million General Fund) in 2026-27, which reflects a decrease of \$221 million (\$209.1 million General Fund) from 2025 Budget Act. The decrease reflects the sunset of the most recent rounds of funding associated with the Bringing Families Home (\$81 million General Fund), Home Safe (\$83.8 million General Fund), and Housing and Disability Advocacy programs (\$44.6 million General Fund); these one-time funds are available through June 2028.

**Background: CDSS Housing and Homelessness Programs.** CDSS oversees six housing and homelessness programs which are administered locally by counties and Tribes. These programs generally serve specific populations eligible for other social services (such as Adult Protective Services, child welfare, or CalWORKs), and provide housing-related supports for families experiencing homelessness or at risk of homelessness, in order to integrate social services with housing support.

Older adults are the fastest growing population experiencing homelessness. According to the California Statewide Study of People Experiencing Homelessness, among single homeless adults, 48 percent were age 50 and older. Among single adults age 50 and older, 41 percent became homeless for the first time at age 50 or older. This study also found that seven percent of homeless adults had children with them, and 26 percent of children living in homeless families were age two or younger. Another 27 percent of homeless adults had children who were not currently living with them. Eighteen percent of adults reported having lost custody of a child to Child Protective Services at some point and 11 percent reported that they did not currently have custody of their minor child due to the child being removed by Child Protective Services.

The department’s approach recognizes that housing is foundational to a person maintaining their health and reaching their goals for employment, education, child and family well-being, and long-term stability. The programs utilize evidence-based practices, including Housing First principles, to offer a range of services, including outreach, housing-related case management, housing navigation, as well as housing-related financial assistance including rental subsidies, security deposits, rental arrearages, moving costs, and more. These resources are provided to clients in a flexible and tailored way in order to best meet their needs and ensure sustained housing outcomes. Additionally, programs coordinate with other local government agencies, Tribes, homeless continuums of care, community-based organizations, public housing authorities, and other entities to holistically support individual clients.

The six CDSS Housing and Homelessness programs are described below:

1. **Home Safe Program.** The Home Safe Program supports the safety and housing stability of individuals involved in Adult Protective Services (APS). Home Safe assists APS clients who are experiencing or are at imminent risk of homelessness due to elder or dependent adult abuse, neglect, self-neglect, or financial exploitation. This may include seniors for whom abrupt changes

to life circumstances have left them on the precipice of being homeless for the first time in their lives. The program provides financial assistance and housing-related wrap-around supportive services, including, but not limited to: housing-related intensive case management, housing related financial assistance, deep cleaning to maintain safe housing, eviction prevention, landlord mediation, mobility-related modifications to homes, and connections with local service providers including the homeless Continuum of Care. Home Safe served approximately 7,736 individuals in 2023-24.

2. **Bringing Families Home (BFH) Program.** The BFH Program assists families involved with county or tribal child welfare systems who are experiencing or at risk of homelessness, and for whom housing may be the only barrier to reunification. The program follows the Housing First model and incorporates evidence-based housing interventions, including Rapid Rehousing and Permanent Supportive Housing to reduce the number of families in the child welfare system experiencing homelessness, increase the number of children reunifying with their families, and prevent foster care placement. The BFH program offers financial assistance and housing-related wraparound supportive services including but not limited to rental assistance, housing navigation, case management, security deposits, utility payments, moving costs, hotel and motel vouchers, legal services, and credit repair. Since the BFH program's inception in 2016 through June 2025, BFH has served more than 10,800 families, permanently housed over 4,100 families experiencing homelessness, and stabilized more than 1,100 families at risk of homelessness.
3. **Housing and Disability Advocacy Program (HDAP).** HDAP assists people who are at risk of or experiencing homelessness and are likely eligible for SSI disability benefits. Housing-related financial assistance and wraparound supportive services may include interim housing, rental assistance, housing navigation, security deposits, utility payments, moving costs, legal services (to help secure long-term disability benefits), and credit repair. People experiencing chronic homelessness and those who rely most heavily on state and county-funded services are prioritized. HDAP follows a Housing First model and uses evidence-based housing interventions. HDAP served approximately 16,194 individuals in 2023-24.
4. **CalWORKs Housing Support Program (CalWORKs HSP).** CalWORKs HSP serves families participating in CalWORKs who are at risk of or experiencing homelessness. CalWORKs HSP offers housing-related wraparound supportive services including rental assistance, housing navigation, case management, security deposits, or utility payments. Parents participating in CalWORKs HSP are generally assigned a case manager who works with them to retain the home and stable employment. CalWORKs HSP has served over 84,000 families since the program launched in 2014, and approximately 30,616 families in 2023-24.
5. **CalWORKs Homeless Assistance (CalWORKs HA).** CalWORKs HA also serves families who are applicants or recipients of CalWORKs. Temporary CalWORKs HA provides up to 16 days of temporary shelter, and Permanent CalWORKs HA provides payment of a security deposit and last month's rent or rent arrearages to avoid eviction. Unlike the other five housing programs discussed in this section, CalWORKs HA is not a capped program; rather, it is an entitlement to CalWORKs families who are eligible. However, it does not provide the same high level of support and case management as CalWORKs HSP. In 2023-24, over 58,900 families were approved for Temporary CalWORKs HA and 8,800 were approved for Permanent CalWORKs HA.

6. **Community Care Expansion (CCE).** The CCE program funds the acquisition, construction, and rehabilitation of adult and senior care facilities that serve applicants and recipients of Supplemental Security Income (SSI) or Cash Assistance Program for Immigrants (CAPI), including individuals who are at risk of or experiencing homelessness. Funds are also available to preserve residential care settings, including through operating subsidies for existing licensed adult and senior care facilities currently serving SSI or CAPI recipients. CCE is part of a statewide investment in infrastructure funding to address homelessness, support healthcare delivery reform, and strengthen the social safety net, particularly for older or frail adults. The California Health and Human Services Agency has bundled the CCE program with another program, the Behavioral Health Continuum Infrastructure Program. CCE Capital Expansion has awarded projects that will create over 3,100 beds in licensed adult and senior facilities, and CCE Preservation has preserved over 2,000 beds in licensed facilities.

**2021 and 2022 budget acts expansion.** The 2021 and 2022 budget acts included a historic expansion of Home Safe, BFH, HDAP, CalWORKs HSP, and CCE, using one-time, multi-year funding. This expansion allowed for local grantees (counties and Tribes) to launch and significantly scale up local capacity to provide housing supports integrated with social services. Programs expanded from 141 to 223 county programs as well as from three to 65 tribal programs (utilizing a \$35 million tribal set-aside).

The 2021 and 2022 expansions included significant one-time investments in all CDSS Housing programs. Three programs, Bringing Families Home, Home Safe, and Community Care Expansion, have no ongoing baseline funding. HDAP and CalWORKs Housing Support program have ongoing baseline appropriations (\$25 million and \$95 million, respectively); however, these programs will still face a significant funding decline as multi-year funds from 2021 and 2022 are exhausted and funding returns to the annual baseline.

**2025 Budget Act.** The 2025 Budget Act included significant appropriations by the Legislature to preserve the Bringing Families Home, Home Safe, and HDAP programs. Without this funding, Bringing Families Home and Home Safe would likely have shut down completely in 2025-26. The budget included the following changes:

- **Home Safe.** The 2025 Budget Act appropriates \$83.8 million General Fund one-time to continue the Home Safe program, which provides housing support for seniors and adults with disabilities involved in Adult Protective Services who are experiencing or at risk of homelessness. This funding is available encumbrance or expenditure until June 30, 2028.
- **Bringing Families Home.** The 2025 Budget Act appropriates \$81 million General Fund one-time for the Bringing Families Home program, which provides housing support to families in the child welfare system and promotes family reunification. This funding is available for encumbrance or expenditure until June 30, 2028.
- **Housing and Disability Advocacy Program (HDAP).** The 2025 Budget Act appropriates \$44.6 million General Fund one-time for HDAP, which provides housing supports and disability benefit application assistance to people likely eligible for disability benefits and experiencing homelessness or at risk of homelessness. This one-time funding is available for encumbrance or expenditure until June 30, 2028, and is in addition to the ongoing funding amount for HDAP of \$25 million General Fund annually.

- **Housing and Homelessness Complaint Resolution.** The Legislature approved trailer bill language that establishes minimum due process requirements for participants of locally administered CDSS Housing and Homelessness programs, including CalWORKs Housing Support Program, Home Safe, Bringing Families Home, and HDAP. Trailer bill establishes client rights with regard to noticing, the right to submit a complaint, the right to an objective decision-maker, and the right to appeal one's case to a state administrative hearing conducted by an Administrative Law Judge in specified instances. Trailer bill and budget bill language allow for the use of at least \$951,000 in local assistance funds to be transferred to CDSS state operations to implement the state administrative hearing process.
- **Grantee Match Exemption.** Trailer bill language removed grantee dollar-for-dollar match requirements for counties and tribes offering services through the Home Safe and Bringing Families Home programs. For HDAP, trailer bill language removes the sunset on the requirement for counties and tribes to seek reimbursement of funds used for housing assistance, general assistance, or general relief from the Social Security program pursuant to an interim assistance reimbursement agreement.
- **Housing and Homelessness Data Reporting.** The budget includes limited-term resources of \$219,000 General Fund and one limited-term position to support the Housing and Homelessness Data Reporting Systems Implementation, and Maintenance.

As of 2023, BFH and HSP are serving 67 percent of families receiving homelessness services through their Continuums of Care (CoC), while HDAP and Home Safe are serving nearly 20 percent of individuals who are 55 and older receiving homelessness services through their CoCs.

**Program outcomes.** CDSS Housing and Homelessness programs are uniquely successful in serving specific vulnerable populations and generally outperform state and national metrics in terms of exits to permanent housing. Below is a summary of outcomes across each program.

***Home Safe outcomes:***

- Over 5,800 clients permanently housed since program launch in 2018.
- A recent UCSF evaluation found that among participants for whom housing data is available, most (93.9 percent) housed at program entry remained housed at exit; more than half (58.4 percent) homeless at program entry were housed at exit.
- 76 percent of participants retained permanent housing 6 months post-program exit.
- The UCSF evaluation also found that Home Safe reached populations that traditional homelessness prevention and diversion services do not adequately reach, including older adults without prior episodes of homelessness, particularly those who are socially isolated and had not previously accessed social services.
- In 2022-23, Home Safe served over 40 percent of the Adult Protective Services population with identified housing needs.

***Bringing Families Home (BFH) outcomes:***

- Since the BFH program’s inception in 2016 through June 2025, BFH has served more than 10,800 families, permanently housed over 4,100 families experiencing homelessness, and stabilized more than 1,100 families at risk of homelessness
- A 2024 evaluation found that family reunifications increased by 20 percent for families who had children in foster care at the time of BFH enrollment as compared to families who did not receive BFH services.
- In 2024–25, counties reported that 65 percent of families reunified or children remained in their family home at program exit.
- 68 percent of families exited to permanent housing in 2024-25 (improving on the 57 percent rate in the prior year). This is nearly double the state (35 percent) and national (32 percent) Continuum of Care rates.
- BFH reduced the use of shelter and transitional housing by half and doubled the use of rapid re-housing services, which based on evidence is more cost-effective and more likely to lead to stable housing.
- In Mendocino County alone, the BFH program has served 171 households to date who were homeless or at-risk of homelessness. Of the families who have exited the BFH program, only four percent of them were unable to reunite with their children, while 96 percent of households served by BFH were able to obtain or maintain a safe home for themselves and their children.

***HDAP outcomes:***

- Over 8,200 individuals permanently housed since program launch in 2017.
- 77 percent approval rate for disposed disability applications.
- In 2023–24, 43 percent of HDAP participants were reported to have experienced chronic homelessness.
- 92 percent of individuals retained permanent housing six months after disability benefits were approved; 82 percent retained housing 12 months after disability benefits were approved.
- Overall, 50 percent of participants exited to permanent housing in 2023-24.

***CalWORKs HSP outcomes:***

- More than 45,000 families permanently housed since program launch in 2014.
- One of the few programs found to be “likely cost-effective” by the California State Auditor in 2023.
- Auditors found that the average annual cost per family permanently housed by the program was less than the estimated cost to taxpayers for one year of a person experiencing chronic homelessness.

***Community Care Expansion (CCE) outcomes:***

- \$569.7 million awarded in capital expansion funding for the construction of licensed facilities with over 3,100 beds produced or contracted to be produced (61 total projects).
- Projects totaling 5,230 units/beds have already been preserved, created, or broken ground.
- \$247 million awarded in preservation funding to support operation of licensed homes at risk of closure which have high populations of clients receiving SSI benefits.
- 34 counties participating in CCE Preservation; counties have contracted with 82 facilities and 2,022 beds within those facilities have been preserved.

- 97 percent of the beds preserved by licensed adult and senior care facility operators participating in CCE Preservation were reported occupied by SSI/SSP applicants or recipients.

**Subcommittee Staff Comment and Recommendation – Hold Open.**

**Questions.** The Subcommittee requests CDSS respond to the following:

1. Please provide a status update on the implementation of the 2025 Budget Act appropriations for the Housing and Disability Advocacy Program, Home Safe, and Bringing Families Home programs. What impacts are counties and tribes reporting as a result of the available funds? What implementation challenges have surfaced? How long does the department anticipate the Bringing Families Home and Home Safe programs to last with 2025 Budget Act funds and what program outcomes does the department expect?
2. Please provide an update on the CalWORKs Housing Support Program. As one-time funds expire and the program returns to the \$95 million statewide baseline, how are local programs changing services and capacity within this program? How does the department anticipate the return to the baseline will affect program outcomes?
3. Please provide a brief update on the implementation of the housing complaint resolution trailer bill language from the 2025 Budget Act.

**Issue 6: Permanent Position Authority for Housing and Homelessness Programs**

**Budget Change Proposal – Governor’s Budget.** CDSS requests to make 11 current positions permanent to oversee housing and homelessness programs for individuals and families at risk of or experiencing homelessness.

**Background.** CDSS administers several housing and homelessness programs that serve individuals and families through the following programs:

- The Bringing Families Home (BFH) program (launched in 2016) supports families involved in the child welfare system who are experiencing or at risk of homelessness, promoting housing stability, family reunification, and preventing foster care placement.
- The Home Safe program (launched in 2018) serves older and dependent adults involved in Adult Protective Services (APS) to reduce the risk of homelessness or unnecessary institutionalization.
- The Housing and Disability Advocacy Program (HDAP) (launched in 2017) assists individuals experiencing homelessness or at risk of homelessness who are likely eligible for disability benefits, combining housing support with advocacy services to secure disability benefits income and stabilize housing.
- The CalWORKs Housing Support Program (HSP) (launched in 2014) provides housing supports to eligible families in the CalWORKs program who are experiencing or at risk of homelessness, and for whom housing instability would be a barrier to self-sufficiency or child well-being.
- The Community Care Expansion (CCE) Program provides funding for acquisition, construction, and rehabilitation projects to preserve and expand housing and supportive services for Supplemental Security Income/State Supplementary Payment (SSI/SSP) and Cash Assistance Program for Immigrants (CAPI) applicants and recipients, who are experiencing or at risk of homelessness.

The 2025 Budget Act included significant appropriations for the Home Safe, Bringing Families Home, and HDAP programs. This includes \$83.8 million General Fund one-time for Home Safe; \$81 million General Fund one-time for Bringing Families Home; and \$44.6 million General Fund one-time for HDAP. These one-time funds are available through 2028 and in addition to significant limited-term expansions in 2021 and 2022 and ongoing baseline funding for HDAP (\$25 million annually) and the CalWORKs Housing Support Program (\$95 million annually).

According to CDSS, these recent expansions require permanent staff for oversight, reporting, and support to counties and tribes. Currently, the majority of the positions carrying out this work, including over half of the Housing and Homelessness Division positions, are not permanent ongoing positions despite the ongoing or long-term nature of this work.

With \$860 million in funding, the CCE program (which is comprised of two distinct efforts: CCE Preservation and CCE Capital Expansion) is expected to create or preserve 7,000 units/beds of affordable

housing. According to CDSS, retaining experienced CCE staff, including the limited-term resources that expire prior to June 2027, and ensuring continuity in the capacity CDSS has built up over the years is crucial. Given the unique expertise required for effective oversight of CCE, a lack of ongoing CDSS capacity with the necessary expertise places at risk the state’s ability to effectively oversee this high-profile \$860 million CCE investment and ensure the intended 7,000+ expanded and preserved housing options for the CCE population are achieved.

**Resource Request.** According to CDSS, as statewide programming continues, CDSS does not have ongoing capacity to continue working at its current scope and scale with the expiration of limited-term positions. This could lead to insufficient program oversight, resulting in more exits to homelessness rather than permanent housing, lack of support for first-ever tribal programming, increased state liability due to noncompliance with legislative and legal mandates, and inability to report on program impacts, needs, and changes in the coming years. For CCE specifically, failure to establish these positions will reduce the department’s ability to manage over \$860 million in state housing funds, risking programmatic outcomes and increasing the risk of misuse of funds, grantee non-compliance, and reduced community impact. The breakdown of the request positions is as follows:

Housing and Homelessness Division Program	Classification	Position Count
<b>CCE Programming</b>		
	Analyst II	1.0
	Supervisor I	2.0
	Supervisor II	2.0
	Manager II	1.0
	Attorney III/IV (Interchangeable)	1.0
<b>Non-CCE Program in HHD</b>		
	Research Data Specialist I	1.0
	Research Data Supervisor I	1.0
	Supervisor I	2.0
<b>Total</b>		<b>11.0</b>

CDSS further states that without the requested permanent authority, the state risks undermining the critical infrastructure it has built and that is needed to continue to lead, coordinate, and deliver housing solutions on a scale for a minimum of an additional five years. The loss of institutional knowledge and continuity could have far-reaching consequences for CDSS operations, local governments, tribes, and vulnerable populations that rely on the Housing and Homeless Division for policy guidance, oversight, and support.

**Subcommittee Staff Comment and Recommendation – Hold Open.**

**Questions.** The Subcommittee requests CDSS respond to the following:

1. Please provide a brief overview of this proposal.

**Issue 7: Facility Management System**

**Budget Change Proposal – Governor’s Budget.** CDSS requests \$16 million General Fund one-time in 2026-27 to support the development, implementation, and maintenance of the Facility Management System. This includes funding for 1 existing permanent position and the equivalent of 16 positions to facilitate the successful completion of the FMS project.

**Background – Facility Management System (FMS).** The most critical objective of the FMS project is to replace eight Community Care Licensing Division (CCLD) legacy systems. Health & Safety Code Sections 1501 (a) and 1596.72 (b) require CDSS to provide a comprehensive, quality system for licensing care facilities to ensure a quality care environment in California.

The new, comprehensive system will enhance internal controls and expand functionality to drive greater efficiency through the use of business rules, workflow automation, customer self-service, and robust support for core operations.

The CCLD is currently in the development and execution phase of the FMS project, having successfully completed Stage 4 of the Project Approval Lifecycle (PAL). The total project cost is \$59.62 million. Project funding began in 2020-21:

<b>Program Budget</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
Authorized Expenditures *	\$8,691	\$13,513	\$7,352	N/A	**\$12,281	***\$14,784
Re-appropriation fund Approval **	\$4,633	\$4,648	\$3,000	N/A	N/A	N/A
Actual Expenditures	\$1,317	\$2,460	\$2,139	\$1,671	\$2,985	N/A
Authorized Positions	N/A	N/A	N/A	1	1	1
Filled Positions	N/A	N/A	N/A	1	1	1
Vacancies	0	0	0	0	0	0

\* THE AUTHORIZED AMOUNT FOR THESE YEARS INCLUDES THE DATA MIGRATION BCP.

\*\* THE \$12.281 MILLION IN RE-APPROPRIATED FUNDS IN THE FY 2024-25 BUDGET WAS ADJUSTED TO ALIGN WITH BUDGET LANGUAGE FROM FYS 2020-21, 2021-22, AND 2022-23.

\*\*\*DOES NOT INCLUDE REMAINING REAPPROPRIATED FUNDS OF \$9,296,229 AVAILABLE THROUGH JUNE 30, 2026.

CDSS states that the continued investment in the FMS project will improve operational efficiency, enhance data accuracy, and allow for timely service delivery across CCLD-regulated facilities. Key outcomes include the successful implementation of a modernized system with integrated self-service capabilities, reduced reliance on manual processes, and the decommissioning of outdated legacy platforms.

CDSS states that accountability for project outcomes will be achieved through regular performance monitoring, adherence to project milestones, and oversight from executive leadership and control agencies. Staff and vendor performance will be tracked against established metrics, including system stability, data integrity, user adoption, and regulatory compliance. These measures will ensure transparency, protect prior investments, and deliver meaningful improvements to the health and safety oversight of licensed facilities.

**Projected Outcomes**

Workload Measure	2025-26	2026-27	2027-28
CDSS New Facility Management System (FMS)	Begin the iterative development and testing of FMS to reduce manual administrative tasks, processing time, and errors. Release 1 is in May 2026.	Continue the iterative development and testing of the FMS to increase staff response times, quality accountability, data sharing, and reporting capabilities. Decrease the following: Pending inspections and	Project is currently in the Maintenance & Operations (M&O) stage, ensuring ongoing support and system stability. The focus will be on fixing big issues, routine maintenance, performance monitoring and minor updates as needed.

		complaints, cost for legacy systems updates, downtime, and server maintenance cost. Release 2 is in October 2026	Decrease in dependency on legacy systems, accompanied by the initiation of efforts to decommission outdated systems. Release 3 is in November 2027.
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**Resource Request.** CDSS CCLD requests \$16.09 million General Fund one-time to cover project costs:

- \$13.55 million for FMS contractors
- \$2.54 million for 1 permanent position and the equivalent of 16 positions

The FMS project is currently supported by 1 permanent position (Project Director) and the equivalent of 16 positions. To ensure continuity and avoid operational disruptions, CCLD requests an additional year of funding for these 17 positions. CDSS states that securing these resources is critical to maintaining project momentum, retaining experienced staff and vendors, and preventing costly delays.

Positions consist of 8 positions from the FMS core business program team within the Information Technology Liaison Bureau of CCLD. These roles include the Implementation Manager, Data Migration Manager, FMS Budget Manager, and Organizational Change Management staff. These staff will translate program needs into system requirements, coordinate enhancements, and make sure CDSS aligns with operational goals and legislative mandates. Similarly, the 8 positions within the Information System Divisions are vital to providing the technical expertise necessary for system development, integration, and ongoing support. These roles are responsible for building, maintaining, and enhancing the technical infrastructure that supports the FMS system.

Implementation began in 2025–26 and will span two years, followed by a one-year M&O phase with the prime vendor. The project is expected to complete implementation within 24 months, with M&O continuing for 12 months thereafter.

Key implementation activities include planning, requirements validation, design, infrastructure acquisition, development, testing, and deployment. An iterative approach will deliver functional software in phases, requiring ongoing operational support.

The M&O phase will include a multi-tiered help desk. CDSS will handle Tier 1 and Tier 2 support, while Tier 3 will be managed by the prime vendor.

CDSS will maintain coordination with the prime vendor and three ancillary vendors, including IV&V services. The requested funding will support these efforts throughout the project lifecycle.

### **Subcommittee Staff Comment and Recommendation – Hold Open.**

**Questions.** The Subcommittee requests CDSS respond to the following:

1. Please provide a brief overview of the Governor’s proposed 2026-27 budget for the Community Care Licensing Division.
2. Please provide an overview of this proposal, including background on the Facility Management System project.
3. What is the timeline for this project to be complete? After the project is complete, what will be the ongoing costs to the state once the project moves into the Maintenance & Operations stage?
4. The proposal notes that some project outcomes of this modernized system will include integrated self-service capabilities, reduced reliance on manual processes, and the decommissioning of outdated legacy platforms. Will this project lead to any ongoing savings to the state as a result of these improvements?

**Issue 8: Home Care Services Branch Augmentation and Trailer Bill**

**Budget Change Proposal – Governor’s Budget.** CDSS requests \$1.48 million General Fund, \$2.5 million Home Care Fund, and 3 permanent positions in 2026-27 and ongoing, which includes funding to continue supporting 15 existing permanent positions. In addition, CDSS requests General Fund loan forgiveness for \$5.68 million which reflects the current outstanding General Fund loan balance for the Home Care Fund. This proposal will help stabilize the Home Care Fund and enable CDSS to address increased workload as well as maintain effective oversight and enforcement of California’s home care licensing system. This request includes provisional language and related statutory changes.

**Trailer Bill Language – Governor’s Budget.** CDSS proposes two trailer bill language proposals relating to the Home Care Branch:

1. Allows, beginning July 1, 2026, General Fund dollars to be appropriated to support the Home Care program along with fee revenues.
2. Extends the deadline for CDSS to adopt regulations to require biennial inspections of home care organizations from January 1, 2026 to January 1, 2028.

**Background – Home Care Services Branch.** The Home Care Services Branch (HCSB), within the Community Care Licensing Division (CCLD) of CDSS, is responsible for ensuring the health and safety of vulnerable California residents who receive home care services through a licensed Home Care Organization (HCO). As of April 2025, there were a total of 2,222 licensed HCO statewide and about 120,000 registered Home Care Aides (HCA).

The Home Care program was initially established in 2016 as a 100-percent fee funded program. According to CDSS, this structure was created based on assumptions about revenues and expenses that have since been proven to be inaccurate. In 2023-24, the program generated \$9.7 million in revenue and spent about \$11.8 million. More than \$2.2 million in expenditures were related to legal costs from the administrative and legal actions related to inspections and complaint investigations. The workload of administrative and legal actions against HCA and HCO increased 43 percent (from 357 to 623) during the four-year period starting in 2020-21 through 2023-24.

**Resource History**  
(Dollars in thousands)

Program Budget	2020-21	2021-22	2022-23	2023-24	2024-25*	2025-26
Authorized*** Expenditures	6,833	7,335	7,335	7,322	12,922**	N/A
Actual Expenditures	7,688	9,711	11,940	11,859	11,489*	N/A
Revenues	8,878	8,422	7,516	9,732	8,950*	N/A
Authorized Positions	28.0	28.0	28.0	41.0	41.0	41.0
Filled Positions	25.7	25.58	23.0	36.0	40.0	40.0
Vacancies	2.3	2.42	5.0	5.0	1.0	1.0

\* PY data is partial FY 2024/25 as of May 2025.

\*\*Reflects current year augmentation authorized by provisional language.

\*\*\*Authorized expenditures do not include two-year limited term General Fund provided beginning 2023-24.

**Workload History**

<b>Workload Measure</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25 <sup>A</sup></b>	<b>2025-26</b>
HCA APPS RECEIVED <sup>B</sup>	57,017	64,175	65,915	71,312	72,003	N/A
HCO APPS RECEIVED <sup>B</sup>	639	1208	851	1058	991	N/A
HCO VISITS <sup>C</sup>	35 <sup>D</sup>	293	218	389	1,492 <sup>E</sup>	N/A
CALL VOLUME	58,354	51,105	43,395	27,741	20,592	N/A
COMPLAINTS RECEIVED <sup>F</sup>	N/A	85	86	177	168	N/A
ADMINISTRATIVE & LEGAL ACTIONS	357	274	451	623	452	N/A

<sup>A</sup> PY data is partial FY 2024/25 as of April 30, 2025.

<sup>B</sup> Includes initial and renewal applications.

<sup>C</sup> Includes inspection, investigation, closure, and unannounced visits. Does not include attempted visits.

<sup>D</sup> Visits conducted remotely due to the COVID-19 pandemic.

<sup>E</sup> 397% increase from 3-year average PY-3 to PY-1 of 300 visits is a direct result of increased enforcement activities by staff hired at the end of PY-1 and early PY.

<sup>F</sup> Data unavailable prior to September 2021.

CDSS has seen substantial growth in the work related to home care in accordance with the increased staffing available to support this mandated function. Additional staff positions obtained through the 2023 Budget Act added to enforcement efforts but resulted in a significant increase in HCO visits. Visits averaged 300 annually between 2021-22 and 2023-24, and increased to nearly 1,500 visits, a 397 percent increase, at the end of the period between July 2024 and April 2025. CDSS states that the 2023 Budget Act resources resulted in the desired programmatic outcomes and increased health and safety for individuals using home care services. HCSB has reduced application processing times and complaint investigation and resolution timelines. The Legislature receives quarterly reports on use of the 2023 Budget Act Home Care Services Branch resources.

The Home Care Services Branch is required to conduct biennial inspections of HCOs, meaning half of all licensed HCOs are required to be inspected each year. Going forward, CDSS expects a 7 percent annual growth rate in HCO applications received statewide, increasing the workload for biennial inspections, enforcement, and administrative and legal actions associated with the HCA registry. CDSS projects the future workload will involve 1,200 annual HCO inspections, processing 70,000 HCA registrations and 1,200 HCO license applications. Continued funding will also support mandated background checks, complaint investigations, and necessary administrative and legal actions.

**Resource Request.** To sustain the current level of work and to meet the additional legal work generated through this increased oversight, CDSS requests ongoing funding to support 15 existing permanent positions authorized in the Budget Act of 2023 and funding and position authority for 3 new legal staff to meet the additional workload created by the additional enforcement efforts of HCSB.

CDSS states that the 3 new Attorney III/IV (interchangeable) positions will support HCSB’s increasing legal workload and timely delivery of high-quality legal services. The resources will provide ongoing

legal support for case consultations, timely filing of arrest cases, and participation in policy meetings. The 3 Attorney positions requested will represent CDSS in formal hearings, advise investigators, licensing workers, public officials, and employees of CCLD on legal issues. They will work with the Attorney General's Office and other civil actions involving CDSS and respond to public inquiries. These duties require an experienced attorney that understands and advises CCLD on programs and complex issues related to licensed care.

**General Fund Loan Forgiveness.** When the Home Care program was originally established under the assumption that it would be 100 percent supported by fee revenue, General Fund loans to the Home Care Fund were authorized. Now that the original concept of a 100-percent fee-funded program has not come to fruition, the Administration requests General Fund loan forgiveness for a portion of previously authorized General Fund loans. The budget bill language requested states:

*Of the amount \$7,955,000 loaned pursuant to the Budget Act of 2014 (Ch. 25, Stats. 2014), Budget Act of 2015 (Ch. 10, Stats. 2015) and Budget Act of 2016 (Ch. 23, Stats. 2016), up to \$5,681,000 shall not be required to be repaid.*

**Trailer Bill Language – Authorization for General Fund to support the Home Care Services Branch.** CDSS proposes trailer bill language that authorizes General Fund to be used to support the Home Care Services Branch, alongside existing fee revenue.

According to CDSS, ongoing General Fund is necessary to support operations and the solvency of the Home Care Fund. Currently, the growing demand for home care services and program operating expenses have exceeded the department's revenue streams and capacity to implement the program within the existing fee structure. In addition, increasing fees is not a feasible option, as the current fees are already some of the highest compared to other states and could have an adverse impact on the number of Home Care Organizations and Home Care Aides.

**Trailer Bill Language – Home Care Inspections Regulations Extension.** AB 120 (Committee on Budget), Chapter 43, Statutes of 2023 contained several provisions related to the Home Care Services Branch within CDSS, including a requirement for CDSS to adopt regulations on biennial inspections by January 1, 2026. The proposed statutory change extends the deadline to January 1, 2028.

CDSS states that regulations are under development; however, the department anticipates an additional 12-18 months to submit the regulatory package to the Office of Regulation Development for review and public comment periods. As a result, CDSS expects this regulatory package to be complete by January 1, 2028, and is requesting a two-year extension to the current January 1, 2026 deadline in statute.

**Subcommittee Staff Comment and Recommendation – Hold Open.**

**Questions.** The Subcommittee requests CDSS respond to the following:

1. Please provide a brief overview of this proposal, including components related to the resource request, General Fund loan forgiveness request, and the two corresponding trailer bills.

**Issue 9: Child Care Centers in Multifamily Housing**

**Budget Change Proposal – Governor’s Budget.** CDSS requests \$750,000 General Fund in 2026-27 and \$733,000 in 2027-28 for 4 positions for two years to process initial applications of child care centers co-located in multifamily housing pursuant to AB 752 (Ávila Farías), Chapter 164, Statutes of 2025.

**Background.** AB 752 allows child care centers that are co-located within multifamily housing to be considered a residential use of property for local jurisdictions and ordinances and exempts child care centers that are co-located in multifamily housing from provisions within the California Environmental Quality Act (CEQA). These facilities will not be required to pay jurisdictional charges, taxes, fees for a business license, equivalent instruments, or permits for the privilege of operating a child care facility; however, adherence to local environmental requirements would still be required as long as they apply to similar residential use of property in multifamily housing. The intent of this legislation was to remove restrictive, burdensome, and expensive local requirements that create barriers to establishing licensed childcare facilities. As a result of this legislation, CDSS CCLD is expecting an increase in applications for child care centers seeking to establish or relocate to co-located multifamily housing.

**Resource Request.** CDSS requests funding for the equivalent of two Licensing Program Analysts for two years to process the anticipated rise in applications for the child care centers co-located in multifamily residential sites. These positions will provide outreach and technical assistance to the co-located child care centers, conduct site visits, consult and provide feedback on licensing standards, and interface with multifamily housing unit developers in their design and build processes.

Additionally, CDSS requests funding for one Licensing Program Manager (LPM) for two years to oversee the Licensing Program Analysts, to ensure effective application processing for these co-located facilities.

CCLD anticipates an increase in complaints associated with an increase in facilities once they are licensed and established in co-located multifamily housing zones in residential areas. CDSS states that the increase in workload is not absorbable and requests funding for the equivalent of one Analyst II for two years to handle the expected influx of complaints and inquiries associated with these facilities.

CCLD will be able to track metrics for the time required to complete applications processed for co-located child care centers, the number of complaints and inquiries associated with co-located child care centers, the number of inquiries received and processed by staff for technical assistance from the field, and the change in the capacity of children served over time. Once approved, CCLD will begin hiring for all four positions as quickly as possible once funding is allocated in July 2026.

**Subcommittee Staff Comment and Recommendation – Hold Open.**

**Questions.** The Subcommittee requests CDSS respond to the following:

1. Please provide a brief overview of this proposal.

**Issue 10: Seizure Emergency Response Act**

**Budget Change Proposal – Governor’s Budget.** CDSS requests two-year funding of \$777,000 General Fund in 2026-27 and \$757,000 General Fund in 2027-28 to support 4 positions to address the increased workload for training and enforcement related to the implementation of AB 1172 (Nguyen), Chapter 448, Statutes of 2025.

**Background.** The Adult and Senior Care Program (ASCP) licenses and monitors facilities that serve California’s vulnerable populations, including Adult Residential Facilities (ARF) and Adult Day Programs (ADP).

AB 1172 authorized a licensed ARF or ADP to train volunteers to recognize and respond to seizures. The legislation permits those volunteers to administer inhalable emergency antiseizure medication to individuals diagnosed with seizures, seizure disorders, or epilepsy. Under this legislation, licensed facilities are required to do the following:

- Adopt policies to implement the requirements of the bill, including measures to support compliance with the conditions of the seizure action plan.
- Develop a seizure action plan approved with written authorization signed by the individual or the individual’s authorized representative, verifying that a non-medical professional who has received training may administer the medication to the individual at the licensed facility.
- Provide written notice to all volunteers administering the medication of their right to rescind their offer to do so at any time and include an explanation of the liability protections and indemnification requirements provided under the bill.
- Retain written training materials prepared in a manner consistent with state law.
- Ensure that each volunteer will be provided with defense and indemnification for all civil liability.

**Resource Request.** CDSS states that AB 1172 introduces new training and enforcement mandates that significantly increase the workload for CCLD. CCLD requests funding for two years to address this increased workload. The 4 requested positions will have the following responsibilities:

- *1 Nurse Evaluator II* to assist the field LPAs in reviewing complaints due to violations of either medication error or training; review all training associated with the legislation.
- *2 Licensing Program Analysts* to address the increase in complaints, investigations, technical support requests, and inspections associated with the legislation.
- *1 Analyst III* to coordinate work related to the development of training standards. The work would include the collaboration of internal partners as well as specified external providers.

CDSS states that timely processing of complaints will help raise stakeholder satisfaction, minimize the number of follow-up inquiries, and provide infrastructure improvements to assist the field staff with the essential mission of protecting and preserving the life, health, and safety of individuals in care in licensed facilities.

**Subcommittee Staff Comment and Recommendation – Hold Open.**

**Questions.** The Subcommittee requests CDSS respond to the following:

1. Please provide a brief overview of this proposal.

**Issue 11: Licensing During Emergencies and Disasters**

**Budget Change Proposal – Governor’s Budget.** CDSS requests \$939,000 General Fund in 2026-27, \$919,000 General Fund in 2027-28 for five positions, and \$195,000 General Fund in 2028-29 and ongoing to support the equivalent of one position to implement SB 582 (Stern), Chapter 546, Statutes of 2025.

**Background.** SB 582 authorizes licensed facilities to request an inactive license status if the facility becomes nonoperational due to destruction, significant damage, or prolonged closure as a result of a state or federal emergency declaration. The affected facility must notify CDSS that it intends to seek an inactive license status and that it plans to be operational again by being rebuilt or reopened. The facility must notify CDSS within 90 days of the applicable disaster declaration, but the department may extend the time to submit a request for inactive license status.

If a facility is made nonoperational due to the emergency, obtains an inactive license status, and will be rebuilt for the same purpose, CDSS may waive the annual or biennial state licensing fees.

SB 582 allows residential care facilities for the elderly (RCFE), residential care facilities for persons with chronic life-threatening illness, medical foster homes for veterans, and any community care facility that serves adults or children to request an inactive license status for any other period of inactivity in the operation of the facility. The legislation also encourages facilities to provide a copy of their emergency and disaster plan to the medical health operational area coordinator.

**Resource Request.** CDSS states that implementing SB 582 will significantly increase CDSS’s workload and exceed the current capacity of CCLD. CDSS requests additional funding to develop regulations, updated training materials, revise internal policies, provide technical assistance to licensees, and update and maintain departmental databases. CDSS requests funding to support the following positions:

- *1 Analyst II for two years in the Child Care Program.* The analyst will need to align existing codes with the intended language of the bill and the new sections of Health and Safety Code to prevent duplication or conflict with current processes. The analyst would also be required to update forms and notices and update inspection tools and procedures to inform regional office staff and licensees of the process for requesting an inactive license status and fee waivers during an emergency.
- *1 Analyst II for two years in the Policy, Training, and Quality Improvement Branch.* This analyst will be responsible for developing and coordinating the implementation of regulations, policies, and inspection practices for the Adult and Senior Care Program. This includes drafting provider notices, providing guidance to field staff and licensees, developing forms and protocols, and supporting the rulemaking process. This analyst will draft the Interim Licensing Standards to implement this legislation.
- *2 Analyst IIs for two years in the Adult and Senior Care Program.* These analysts will track the number of non-operational facilities, provide technical assistance to licensees, and assist with re-opening after a disaster.
- *1 research data analyst II in the Information Technology Liaison Bureau.* This analyst will ensure the Facility Management System database is designed and maintained to facilitate efficient data

use and required reports; develop reports mandated by the legislation; and develop tools to create and maintain dashboards that monitor facility licensing status during and after disasters.

CDSS states that these resources will create a smoother process for facilities to reopen following an emergency or disaster.

**Subcommittee Staff Comment and Recommendation – Hold Open.**

**Questions.** The Subcommittee requests CDSS respond to the following:

1. Please provide a brief overview of this proposal.

**Issue 12: Family Preparedness Plan Act**

**Budget Change Proposal – Governor’s Budget.** CDSS requests \$2.96 million General Fund in 2026-27 and \$2.89 million General Fund in 2027-28 for the equivalent of 15 positions for two years to implement AB 495 (Celeste Rodriguez), Chapter 664, Statutes of 2025.

**Background.** Among other things, AB 495 prohibits childcare providers from collecting citizenship or immigration status information from their clients (except as required by state or federal law to administer a state or federally supported educational program). This is to protect children and families’ information from being used against them by immigration enforcement in the wake of a January 2025 presential Executive Order rescinding federal policy that designated childcare facilities (among other locations such as schools, churches, and hospitals), as sensitive locations where immigration enforcement actions were generally avoided. It is widely known that ICE and Homeland Security expanded their activities to pursue all immigrant families without regard for any criminal activity and sometimes without judicial warrants or valid identifications.

AB 495 also requires that all emergency contact information for children across over 40,000 licensed childcare facilities be up to date.

**Resource Request.** CDSS requests 15 positions to implement AB 495, as follows:

- *2 Analyst IIs* to work with the new licensing staff to provide oversight and support to all licensees across the state. These analysts will become subject matter experts for immigration and enforcement policies and current procedures used by immigration and/or law enforcement officers; offer technical assistance to licensee and licensing program managers/analysts; and review that model policies are in place at all facilities within 6 months of issuance during inspections.
- *10 License Program Analysts (LPAs)* will be based in the regional offices with the highest need. They will work with the Analyst II and the licensed facilities in their caseloads to manage and process unusual incident reports, address any necessary cross reports made to the Attorney General, and review the Model Policies during the application and pre-licensing inspection process.
- *1 Analyst II.* The Personnel Support Section (PSS) within CCLD manages a total of 1,611.5 authorized positions. In recent years, PSS workload demands have increased significantly due to the expansion of CCLD staffing and the growing complexity of personnel-related processes. Between 2018–19 and 2025–26, CCLD’s authorized positions grew by 22 percent; PSS has not received additional staffing to support the division’s expansion. PSS requests funding for the equivalent of one Analyst II to provide essential support to the Personnel Liaisons by reviewing Request for Personnel Action packages, assisting with personnel transaction documents, maintaining position control tracking, and providing technical guidance to Personnel Liaisons and hiring managers. Without this additional resource, PSS will face challenges in processing hiring packages in a timely manner, ensuring compliance with departmental policies, and supporting CCLD’s ability to fill vacancies and maintain critical statewide program operations. CDSS states that AB 495 creates additional workload on CCLD that is not absorbable.

- *3 Attorneys.* CDSS states that AB 495 creates additional workload that is not absorbable by Legal Enforcement. One Attorney IV will work provide legal support to 1 Analyst II and 10 LPAs, located in regional offices statewide, to review and advise regional offices on unusual incident reports and advise on pre-licensing and complaint visits. This attorney will also assist CCLD in bringing non-compliant childcare facilities into compliance and represent CCLD in responding to subpoenas, Public Record Requests and other program related inquiries.

The other two attorneys will work on personnel and audit matters as this work is not absorbable by CDSS Legal. These positions will provide legal support, consultation, and representation services to CCLD and the Audits Bureau. With increasing staff and more than 1,200 ongoing agreements resulting in almost 500 audits each year, CDSS states that these resources are necessary to support this effort. Experienced attorneys are critical to handle the increase in employment and personnel-related consultations, drafting of opinions, and administrative hearings before the State Personnel Board and other tribunals related to the additional staff. In addition, one attorney will handle complex and sensitive cases and issues related to compliance, program audits and investigations, employment, and personnel-related consultations, and will represent CDSS in the most complex administrative hearings and appeals. CDSS states that these resources are critical for compliance with state and federal audit requirements.

**Subcommittee Staff Comment and Recommendation – Hold Open.**

**Questions.** The Subcommittee requests CDSS respond to the following:

1. Please provide an overview of this proposal.

**Issue 13: CDSS Automation**

**CDSS Automation – Governor’s Budget.** The Governor’s proposed 2026-27 budget includes \$426.2 million (\$160.6 million General Fund) for CDSS automation. This includes funding for the California Statewide Automation Welfare System (CalSAWS) and the Electronic Benefit Transfer (EBT) system. Some automation systems (for example, the state’s child welfare case management system) are not included in this item.

Funding (million)	FY 2025-26 Appropriation	FY 2025-26 Revised Budget	FY 2026-27 Governor's Budget	FY 2025-26 Change from FY 2025-26 Appropriation	FY 2026-27 Change from FY 2025-26 Appropriation
Total*	\$534.6	\$551.1	\$426.2	\$16.5	-\$108.4
Federal	111.3	122.7	65.9	11.4	-45.4
State*	184.1	164.8	160.6	-19.3	-23.5

\*The total includes county and reimbursement funds in addition to the GF and federal funds displayed. Automation efforts for Medi-Cal are reflected solely as reimbursement. SUN Bucks transaction costs are reflected in the CalFresh and Nutrition Programs section. Case Management Information and Payrolling System costs are reflected in the IHSS section. FC California Statewide Automated Welfare System (CalSAWS) and CWS Automation costs are reflected in the Children's section.

CalSAWS is the single automated case management and eligibility system supporting CDSS programs and other public benefits programs, including CalWORKs, CalFresh, Medi-Cal, Foster Care, and other social services. BenefitsCal is the public-facing portal and CalSAWS is the county eligibility and benefit calculation system. CalSAWS is governed by a Joint Powers Authority (JPA) representing the 58 counties. All 58 counties have migrated to the single CalSAWS system, the culmination of a multi-year project that began in 2018.

Funding for CalSAWS consists of state, federal, and county funds based on the sharing ratios of the various benefit programs. The total CalSAWS Project budget for 2026-27 is \$353.94 million (\$131.29 million General Fund). This is exclusive of automation projects to fund specified state or federal policy changes outside of the base CalSAWS budget. The budget for CalSAWS is summarized below:

**California Statewide Automated Welfare System (CalSAWS)**

**CURRENT YEAR CHANGE FROM APPROPRIATION:**

The decrease reflects the June 2025 As-Needed Implementation Advance Planning Document Update.

**REASON FOR YEAR-TO-YEAR CHANGE:**

The decrease reflects the June 2025 As-Needed Implementation Advance Planning Document Update.

**EXPENDITURES:**

(in 000s)

	<u>FY 2025-26</u>				
Item 141 – Automation	Total	Federal	State	County	Reimb.
CalSAWS	\$394,467	\$59,967	\$132,826	\$17,251	\$184,423
	<u>FY 2026-27</u>				
Item 141 – Automation	Total	Federal	State	County	Reimb.
CalSAWS	\$353,939	\$36,757	\$131,290	\$20,533	\$165,359

The revised 2025-26 budget for CDSS automation includes \$551.1 million (\$164.8 million General Fund). This reflects a net increase of \$16.5 million (decrease of \$19.3 million General Fund) from the 2025 Budget Act. The net increase reflects H.R. 1 related automation for Medi-Cal and updated cost allocation plans for Multiple Program CalSAWS Updates, Medi-Cal CalSAWS Updates, and EBT ongoing programs. The General Fund decrease reflects shifting automation for Streamlining the CalWORKs Program Experience from General Fund to federal funds and a revised display for CFAP Expansion.

The Governor's proposed 2026-27 budget includes \$426.2 million (\$160.6 million General Fund) and reflects a decrease of \$108.4 million (\$23.5 million General Fund) from the 2025 Budget Act for automation efforts. The decrease reflects the expected completion of H.R. 1 related automation in 2025-26 and updated costs for CalSAWS Maintenance and Enhancements, CalFresh CalSAWS Updates, CalWORKs CalSAWS Updates, Multiple Program CalSAWS Updates, and Medi-Cal CalSAWS Updates.

**Significant Budget Adjustments.** The Governor's proposed 2026-27 budget includes four significant adjustments to the CDSS automation budget:

- **Compliance with Final Rule: SNAP Employment & Training (E&T) Program Monitoring, Oversight, and Reporting Measures.** The United States Department of Agriculture Food and Nutrition Service (FNS) issued the Final Rule for SNAP E&T Program Monitoring, Oversight, and Reporting Measures, requiring new and revised reporting measures for the CalFresh E&T program. The CalFresh E&T program must comply with the new requirements through CalSAWS to avoid risk of a reduction or denial of federal E&T funding. The 2026-27 Governor's Budget proposes one-time automation funding of \$700,000 (\$350,000 General Fund) in 2026-27 for this purpose.
- **Implementation of the Release of Information to Community-Based Organizations (CBOs) in BenefitsCal.** CalSAWS, in collaboration with CDSS and the Department of Health Care Services (DHCS), developed a feature in BenefitsCal to enable CalWORKs, CalFresh, and Medi-Cal customers to securely share case-specific information with CBOs via the BenefitsCal CBO Portal. According to CDSS, the current release of information design requires further automation to launch, including features critical for CBO access and customer service. The 2026-27 Governor's Budget proposes one-time automation funding of \$3.2 million (\$657,000 General Fund) to reduce the administrative burden for customers, counties, and CBOs.
- **Ongoing Funding for Enterprise Data Pipeline.** The CDSS Enterprise Data Pipeline enhances cross-program data integration, safeguards privacy, and strengthens data-driven policy decisions. With funding set to expire on June 30, 2026, CDSS faces risks of federal reporting penalties and compromised infrastructure and analysis. The pipeline is necessary for the implementation of the State Level Data and Response H.R. 1 funding approved in the 2025 Budget Act. The 2026-27 Governor's Budget proposes \$850,000 (\$409,000 General Fund) in 2026-27 and ongoing to sustain the pipeline, expand data capacity that aligns with program caseloads, and develop new linkages and analyses.
- **CalWORKs Child Support Notices of Action (NOA).** When applying for CalWORKs, child support rights must be assigned to the county. Otherwise, assistance payments cannot be provided to the family. The 2026-27 Governor's Budget proposes \$2.6 million total funds in 2026-27 to

revise the existing child support forms and develop three new NOAs to ensure compliance with assignment requirements, apply gender neutral language, and prohibit substitutions.

**CalSAWS and BenefitsCal Stakeholder and Design Issues.** Welfare and Institutions Code 10823.1 requires CDSS, DHCS, OTSI, and the “SAWS consortia” to engage with stakeholders to discuss current and planned functionality changes, system demonstrations of public portals and mobile applications, and advocates’ identification of areas of concern, especially with the design of public-facing elements and other areas that directly impact clients. Nonetheless, stakeholders and community-based organizations have consistently experienced problems regarding inability to provide meaningful feedback on CalSAWS and BenefitsCal public-facing design features.

The 2023 Budget Act included Supplemental Report Language requiring the Administration and CalSAWS to report on efforts to improve engagement with stakeholders to solicit and integrate their feedback into prioritization of enhancements to public-facing elements of CalSAWS. This was in response to stakeholder concerns that client and community-based organization feedback into the design of public-facing elements of CalSAWS, such as BenefitsCal, were not being considered meaningfully, leading to design issues that could have been avoided. The 2024 Budget Act included additional Supplemental Report Language requiring the Administration and CalSAWS to respond to ongoing stakeholder concerns that were not fully addressed in the 2023 report.

In July 2025, a coalition of community-based organizations led by the California Association of Food Banks raised a series of issues specific to community-based organization account access within BenefitsCal, which is used by community-based organizations to help individuals applying for CalFresh and other public benefits. Issues raised included: counties refusing to set up organizations’ manager accounts; 18 counties with no point of contact for tech support issues; failure to establish a release of information policy; and onerous requirements for organizations to contact counties, including for simple tasks such as password resets. The organizations noted that these issues stemmed from longstanding engagement issues with CalSAWS, as stakeholders were never given the opportunity to provide feedback on the design of this aspect of BenefitsCal.

### **Subcommittee Staff Comment and Recommendation – Hold Open.**

**Questions.** The Subcommittee requests OTSI and/or CDSS respond to the following:

1. Please provide an overview of the Governor’s proposed 2026-27 budget for CDSS automation, including a breakdown of main costs within CalSAWS and any significant adjustments.
2. Please describe the proposed automation funding for the following projects: community-based organization release of information, enterprise data pipeline, and CalWORKs child support notices of action.
3. What portion of the CalSAWS budget is dedicated to implementing automation related to H.R. 1 changes? How is the state working with the CalSAWS project to implement H.R. 1-related automation changes? How do CDSS and OTSI ensure that the CalSAWS project is prioritizing the automation changes and solutions that are most critical to the state?

4. Community-based organizations voiced concerns about account access and tech support issues in the BenefitsCal system and inconsistent practices across counties that have disrupted the ability of organizations to assist customers applying for public benefits such as CalFresh. How has CalSAWS resolved these BenefitsCal issues? How is CalSAWS working to resolve persistent issues raised by stakeholders about inadequate opportunities to provide feedback on the design of public-facing elements of BenefitsCal and CalSAWS?

**Issue 14: Stakeholder Proposals for Investment**

**Proposal for Investment.** The Subcommittee has received the following proposal for investment:

**Stabilize and Strengthen the Modernization of the Older Californians Act.** The California Association of Area Agencies on Aging (C4A) proposes \$62.3 million in 2026-27 and ongoing to stabilize and strengthen California’s core aging services infrastructure by providing ongoing, reliable funding to fully implement SB 1249 and ensure that older adults, adults with disabilities, and family caregivers can remain safely in their homes and communities.

According to C4A: “California’s aging population is growing rapidly, while the state’s aging services infrastructure remains underfunded and unstable.

The 2024 enactment of SB 1249 (the Mello-Granlund Older Californians Act) and CA2030 establishes Nutrition, Information & Assistance (I&A), and Caregiver Support as statewide services. However, the funding necessary to support these essential services has not kept pace with demand or inflation.

Over the past decade, the Legislature has made important investments in nutrition programs, including home-delivered and congregate meals. Yet much of this funding has been provided through one-time augmentations and federal COVID-era relief funds, which have and will be expiring. This creates service instability for Area Agencies on Aging (AAAs), providers, and the older adults, people with disabilities and caregivers who rely on these programs every day. At the same time:

- Nutrition programs face rising food, labor, and transportation costs.
- Information & Assistance programs are overwhelmed by growing demand due to Medi-Cal changes, housing instability, and complex benefit systems.

Without stable and sufficient funding:

- Waiting lists will grow.
- Service reductions will occur.
- Providers will face staffing and operational instability.
- Older adults and adults with disabilities will be at increased risk of hospitalization, institutionalization, and isolation.

This budget request does not propose the creation of new programs. Instead, it seeks to stabilize and strengthen existing services while supporting implementation of the Mello-Granlund Older Californians Act (SB 1249) and CA2030 as a part of the Master Plan for Aging. SB 1249 and CA2030 modernizes California’s aging services framework by establishing Nutrition, Information & Assistance (I&A), and Caregiver Support as statewide services. This request aligns funding with those priorities and ensures that these essential services can be consistently delivered across the state.

The funding proposed in this request directly addresses the instability and service gaps currently affecting California’s aging services system. By providing ongoing funding aligned with the statewide service

framework established under SB 1249, the request stabilizes core programs and ensures they can continue meeting the needs of older adults, adults with disabilities, and family caregivers.

First, converting recent one-time nutrition augmentations into ongoing funding allows Area Agencies on Aging (AAAs) and their providers to maintain current service levels for congregate and home-delivered meals. Without this stabilization, programs would face service reductions, fewer meals served, or expanded waiting lists. Maintaining consistent nutrition services helps prevent food insecurity, reduces social isolation, and supports individuals in remaining safely in their homes and communities.

Second, strengthening Information & Assistance (I&A) services improves access to the broader aging and disability service system. As public benefit programs, health care systems, and long-term services become increasingly complex, I&A programs play a critical role in helping individuals understand their options, navigate services, and connect to the supports they need. Increased investment helps ensure timely assistance and reduces barriers to accessing services.

Third, expanding Caregiver Support services helps address caregiver burnout and the growing demand for unpaid caregiving. Providing respite, counseling, training, and coordination services allows caregivers to sustain their role longer, which helps prevent unnecessary institutionalization and supports cost-effective community-based care.

Together, these investments strengthen the core infrastructure of California’s aging network. By stabilizing and enhancing these essential services, the state can better meet the needs of a rapidly growing older adult population while supporting individuals to remain independent in their homes and communities.”

The breakdown of the proposed \$62.3 million is as follows:

- **Nutrition Services – \$37 Million.** Over the past several years, the Legislature provided significant one-time and time-limited augmentations to support home-delivered and congregate nutrition programs, including federal COVID-era relief funding. Those temporary funds allowed Area Agencies on Aging (AAAs) to meet increased demand and rising food and operational costs. However, those one-time funds are now expiring. The requested \$37 million in ongoing funding would maintain nutrition services at the most recently funded service level — preventing reductions as temporary funding sunsets. This amount does not represent an expansion of services. Rather, it stabilizes the system and avoids service cuts that would otherwise occur. Without ongoing funding at this level, AAAs will be forced to reduce meals, expand waiting lists, or cut service days.
- **Information & Assistance – \$15.66 Million.** CA2030 establishes Information & Assistance (I&A) as a required statewide service. I&A programs serve as the front door to aging and disability services and are experiencing significant growth in demand due to Medi-Cal changes, housing instability, and increasing benefit complexity.
- **Caregiver Support – \$10.44 Million.** Caregiver Support is also called out as a required statewide service under CA2030. Despite the essential role caregivers play in preventing institutionalization and reducing Medi-Cal costs, caregiver programs remain under-resourced statewide.