

*Senate Budget and Fiscal Review—Nancy Skinner, Chair***SUBCOMMITTEE NO. 3****Agenda**

Senator Susan Talamantes Eggman, Ph.D, Chair
Senator Melissa Melendez
Senator Richard Pan, M.D.

**Tuesday, February 15, 2022****1:30 p.m.****State Capitol - Room 2040**

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PUBLIC COMMENT

Public Testimony Toll Free Number: 877-226-8163

Access Code: 7622462

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4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT**Issue 1: CSD Overview**

The mission of the Department of Community Services and Development is to reduce poverty for Californians by partnering with private nonprofit and local government organizations dedicated to helping low-income families achieve and maintain economic security, meet their home energy needs, and reduce their utility costs through energy efficiency upgrades and access to clean renewable energy.

Governor's Proposal.

**Department of Community Services and Development
Expenditures by Fund Source**

* Dollars in thousands

Grand Total By Fund	Fiscal Year	
	2021-22	(Proposed Budget) 2022-23
General Fund	\$28,000	\$25,000
Federal Funds	\$609,754	\$288,072
Reimbursements	\$15,558	\$5,600
Greenhouse Gas Reduction Fund	\$15,000	--
Coronavirus Fiscal Recovery Fund of 2021	\$1,000,000	--
Total All Funds	\$1,668,312	\$318,672

The Governor's budget requests a shift of seven full-time positions from the temporary help blanket to the department's permanent position authority. There is no funding associated with this request as it is a shift of position authority within the department's existing budget.

To provide transparency and accurately reflect the way the department is utilizing their position authority, a review was completed to identify positions residing in the department's temporary help blanket that are more appropriately suited to be moved to authorized positions based on longevity, tenure, and workload. The positions in the temporary help blanket have been utilized and funded with existing resources on an annual basis to complete the necessary administrative functions of the department. Converting positions in the blanket to authorized positions will allow the department to fund employee compensation and retirement adjustment drills, which are not provided for positions in the temporary help blanket.

CSD Programs. Programs administered by the department include:

- Community Services Block Grant (CSBG). CSBG is an annual federal grant that provides or supports a variety of local services to alleviate the causes and conditions of poverty to help

people achieve self-sufficiency. Examples of CSBG supported services and activities include local programs to address employment, education, asset building, housing and shelter, tax preparation, and nutrition and emergency services.

- Low-Income Home Energy Assistance Program (LIHEAP). LIHEAP is an annual federal grant that provides financial assistance to low-income households to manage and meet their energy costs and immediate home heating and/or cooling needs.
- U.S. Department of Energy Weatherization Assistance Program (WAP). WAP is an annual federal grant that provides weatherization services to eligible low-income individuals to improve the energy efficiency of low-income households.
- Low-Income Weatherization Program (LIWP). LIWP is funded by state cap-and-trade auction proceeds to provide energy efficiency and renewable energy services such as solar photovoltaic systems. These services are provided to low-income single-family and multi-family dwellings within disadvantaged communities to help reduce greenhouse gas emissions and save energy.
- California Arrearage Payment Program (CAPP). The newly established CAPP offers financial assistance for California energy utility customers to help reduce past due energy bill balances accrued during the COVID-19 pandemic. The CAPP was established in the 2021 Budget Act, which allocated \$1 billion in federal ARPA funding to address energy debts. This program will be discussed in more detail later in this agenda document.
- Low-Income Household Water Assistance Program (LIHWAP). The new federal Low Income Household Water Assistance Program (LIHWAP) will provide financial assistance to low-income Californians to help manage their residential water utility costs. Established by Congress in December 2020, this federally funded program will help low-income households pay down their outstanding water bills. The program was created as part of the Consolidated Appropriations Act of 2021, with additional funding received through the American Rescue Plan Act (ARPA). The state was allocated \$116 million for the program. This program will be discussed in more detail later in this agenda document.

Staff Comment and Recommendation. Hold open.

Questions. The Subcommittee requests CSD respond to the following:

1. Please provide an overview of the proposed 2022-23 CSD budget and describe the significant funding augmentations in the Governor's budget, including federal funds.

Issue 2: California Arrearage Payment Program (CAPP)

Budget Issue. As mentioned above in this document, the 2021 Budget Act established CAPP and allocated \$1 billion in federal ARPA funding for the program. Of the allocated \$1 billion, \$298.5 million is allocated for public utilities and electric cooperatives, and approximately \$695 million is allocated for investor-owned utilities and community choice aggregators.

Background. CAPP offers financial assistance to energy utility customers to reduce past due energy bill balances accrued during the COVID-19 pandemic. Utility customers do not need to apply to receive assistance under the CAPP program. If a customer account is eligible, a credit will be automatically applied to the customer's bill. Energy utilities apply for CAPP assistance on behalf of customers who incurred a past due balance of 60 days or more on their energy bill during the COVID-19 pandemic relief period covering March 4, 2020, through June 15, 2021. CAPP benefits will be credited to customer accounts on a rolling basis as energy utilities apply and are approved for CAPP funding.

Energy utilities will prioritize CAPP assistance to eligible customer accounts as follows:

1. Active residential customers with past due balances and at risk of disconnection due to nonpayment.
2. Active residential customers with past due balances.
3. Inactive residential customers with past due balances.
4. Commercial customers with past due balances.

CSD surveyed utilities to calculate total arrearages and allocations for individual utilities. CSD released the survey on August 2, 2021, and completed surveys were due back to CSD by September 16, 2021. Sixty-seven utility companies participated in the survey and expressed intent to apply for assistance. There are around eighty utility companies throughout the state. Based on the survey, over 3 million customers statewide accrued almost \$2 billion in energy utility debt during the CAPP pandemic relief period of March 4, 2020, through June 15, 2021. CAPP funds will offset nearly 50 percent of qualifying statewide energy bill arrearages reported in the survey.

Applications were distributed on November 8, 2021. Utilities were given sixty days to complete applications, with a deadline to submit by January 8, 2022. The department has disbursed all CAPP funding and benefits are currently being distributed to over 1.5 million customer accounts. Utilities must deliver benefits to customer accounts within 60 days of receiving CAPP funds. Utilities have been applying benefits to accounts on a rolling basis since December 2021 and the department expects benefits to be distributed to all eligible customer accounts by early April.

As part of the application process utilities were required to submit data to allow CSD to verify customer arrearage information. Companies must also report on the total funds distributed, the number of customers served, and the average benefit. The department must prepare a report to the Legislature within sixty days of receiving final reporting from utilities. Utilities cannot disconnect

CAPP recipients for ninety days after applying the assistance funds. If an account has a remaining balance after the benefit is applied utilities must notify the customer of the option to enter into an extended payment plan with late fees and penalties waived.

The department has published a CAPP data dashboard on its website. The dashboard displays data from energy utilities and can be found at <https://csd.ca.gov/Pages/CAPP-Dashboard.aspx>.

Legislative Analyst's Office (LAO) Comments. The LAO notes that energy utility customers may receive relief through various other programs, including state- and locally administered federal emergency rental assistance funding, which helps eligible households fully cover rental and utility arrears, among other assistance. (As of January 2022, the state program had awarded \$1.8 billion of emergency rental assistance to about 155,000 households.) In addition, utility companies may have received federal assistance for businesses impacted by the pandemic and could use such assistance to forgive customer debt. The LAO suggests that the Legislature inquire as to how or whether CSD has been coordinating CAPP implementation with other sources of energy utility arrearage assistance.

Staff Comment and Recommendation. This is an informational item. No action is necessary.

Questions. The Subcommittee requests CSD respond to the following:

1. Please provide a brief update on the rollout and implementation of CAPP. Please highlight any significant successes or challenges the department has faced during implementation.
2. Has the department coordinated program implementation with other sources of energy utility arrearage assistance? If so, please describe the details of this coordination.

Issue 3: Low-Income Household Water Assistance Program (LIHWAP)

Budget Issue. As mentioned in Issue 1, the federal Consolidated Appropriations Act of 2021 established LIHWAP. The state received a total of \$116 million for the program. The 2021 Budget Act included trailer bill language providing authority for the department to develop and administer the program.

Background. LIHWAP provides financial assistance to low-income Californians to help manage their residential water utility costs. The department held stakeholder sessions to receive input and recommendations on the program in July 2021. The department shared a public summary of stakeholder comments as well as their responses to those comments. That summary can be found on the department's website (https://csd.ca.gov/Shared%20Documents/07-29-2021-LIHWAP-Written-and-Verbal-Comments_ADA.pdf).

The department drafted a state plan for the program and submitted that plan to the federal government in August 2021. The federal government approved the plan in November 2021. The department's plan for implementing LIHWAP is similar to that of its LIHEAP program which executes contracts with local providers. Providers then work with individual households to determine eligibility and provide assistance. Federal rules require assistance payments to be provided directly to water utilities on behalf of customers. The department is currently working with a third-party vendor to manage and establish those direct payments. LIHWAP service delivery is scheduled to commence in May.

After issuing contracts to local providers, the department is required to report total allocations and allocations by service category to the Legislature. CSD must also report total program expenditures, the number of households served, and other metrics six months after contracts are executed.

CSD and its local LIHEAP service providers have not administered water benefits in the past, and as a result, do not have established relationships with the approximately 3,000 water and wastewater systems that operate statewide. As a result, CSD is investing significant time up-front to develop program guidelines and engage with water providers to ensure effective program administration and service delivery for customers.

As part of the 2021-22 budget, the State Water Resources Control Board (SWRCB) received \$1 billion federal ARPA funds to provide debt relief for water and wastewater customers who have accrued arrearages during the pandemic. LIHWAP is distinguished from the SWRCB's program by its focus on low-income households, and that it is not date limited to the pandemic bill relief period of March 4, 2020, to June 15, 2021. CSD has been in regular consultation and coordination with the SWRCB throughout the development and implementation of the Board's program. As the State Water Resources Control Board has implemented its arrearage program, and throughout the LIHWAP program development process, the Board has provided critical insights and expertise as CSD prepares for the LIHWAP launch.

Staff Comment and Recommendation. This is an informational item. No action is necessary.

Questions. The Subcommittee requests CSD respond to the following:

1. Please provide an update on the implementation of LIHWAP. Please highlight any significant successes or challenges the department has faced during program rollout.
2. When does the department expect to release program guidelines for the program?

5175 DEPARTMENT OF CHILD SUPPORT SERVICES (DCSS)**Issue 4: DCSS Overview**

The DCSS provides services to locate parents, establish paternity, and establish and enforce orders for financial and medical support. The department is also responsible for oversight of county and regional local child support agencies (LCSAs) that work directly with families in the community.

Governor’s Proposal.

**Department of Child Support Services
Expenditures by Fund Source**

* Dollars in thousands

Grand Total By Fund	Fiscal Year	
	2021-22	(Proposed Budget) 2022-23
General Fund	\$344,735	\$364,707
Federal Funds	\$586,094	\$691,716
Reimbursements	\$123	\$123
Child Support Collections Recovery Fund	\$167,619	102,424
Total All Funds	\$1,098,571	\$1,158,970

Significant proposals in the DCSS budget include:

- **Full “Pass-Through” Child Support Payments for Former CalWORKs Families.** The Governor’s Budget proposes a full “pass-through” of child support payments collected by the state for families formerly receiving CalWORKs. Under this change the department will waive its share of recoupment and estimates that \$93 million will be passed on to families, beginning in January 2023. Of that \$93 million, \$52.3 million are expected General Fund revenues. Approximately \$4.9 million is estimated for reimbursing county revenues that would have received these collections. Approximately 69,000 families would be impacted by the full pass-through proposal.
- **LCSA Funding Methodology.** The Governor’s budget includes \$59.1 million (\$20.1 million General Fund) for support of LCSAs. The department’s funding methodology is discussed in more detail in the next issue in this document.
- **Child Support Federal Final Rule Compliance Trailer Bill.** The Governor’s Budget includes trailer bill language to bring the state into compliance with federal rules.

Pass-Through Trailer Bill Language. The department has proposed statutory changes associated with the pass-through proposal. The proposed language can be found on the Department of Finance website at: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/602>. The proposed language would

require any child support collected to be passed through to a former recipient of aid. Additionally, the proposed language requires that any pass-through payments that cannot be delivered to a former aid recipient for six months shall be used to recoup aid. If former aid recipients make claims for the pass-through payment within twelve months of the payment being sent for recoupment the payment shall be sent to the former aid recipient instead.

State and Federal Recoupment of Public Assistance Costs. Under federal law, a family receiving public assistance via TANF (which is the block grant that funds CalWORKs) must assign their rights to child support payments to the state. The state, through LCSAs, collects the child support payments on behalf of the custodial parent. The noncustodial parent must reimburse the state for any CalWORKs or foster care funds expended by the state, as well as an amount that is passed through to the custodial parent. A portion of a child support payment collected in a given month is passed through to the family, where families with one child receive up to \$100 per month and families with two or more children receive \$200.

When a family leaves the CalWORKs program, the family regains its rights to the child support payment. However, if the non-custodial parent has payments in arrears, the state continues collecting and retaining payments as reimbursement for costs associated with benefits paid to the family. The cumulative amount of assistance paid to a family which has not been repaid through assigned support collections is known as the unreimbursed assistance pool (UAP). When the UAP is paid in full any continued child support is paid to the family.

The federal government allows states to waive their recoupment for public assistance costs. However, the state is required to reimburse the federal government for their recoupment share for currently assisted cases, but this is not required for formerly assisted cases. If the state waives recoupment for formerly assisted cases and passes the entire collection to the family, the federal government will also waive its recoupment share.

Collections. The department anticipates a decrease of \$136 million in assistance collections and a decrease of \$14.7 million in non-assistance collections in 2022-23. From July 2021 to December 2021, the state collected \$92.2 million in child support payments on behalf of former CalWORKs families. The table below shows historical program collections from 2016-17 to 2022-23. Collections for both 2021-22 and 2022-23 are estimates.

	2016-2017	2017-2018	2018-19	2019-20	2020-21	2021-22 (estimated)	2022-23 (estimated)
Assistance Collections	\$412 million	\$410 million	\$398 million	\$454 million	\$462 million	\$414 million	\$320 million
Non-Assistance Collections	\$2 billion	\$2.1 billion	\$2.1 billion	\$2.3 billion	\$2.3 billion	\$2.1 billion	\$2.2 billion
Total	\$2.4 billion	\$2.5 billion	\$2.5 billion	\$2.7 billion	\$2.8 billion	\$2.5 billion	\$2.5 billion

Arrears. As of December 1, 2021, child support arrears totaled \$18.1 billion. Of that, \$6.6 billion was owed to government agencies and \$11.5 billion was owed to families. In 2020-21, the

department collected \$187 million in permanently assigned arrears on behalf of formerly assisted families, retained entirely as government recoupment of aid paid.

Debt Reduction. In May 2021, the department implemented a new debt reduction program to replace its standard Compromise of Arrears Program (COAP). COAP was established to address uncollectible government-owed arrears. COAP considered a participant's ability to pay based on actual income but required repayment of at least ten percent of the outstanding arrears balance. The minimum repayment for the new debt reduction program is structured as follows:

- For agreements with a current support order and arrears, the minimum repayment consists of the 12-month value of court-ordered arrears and/or administrative arrears and two to five percent of gross monthly income (GMI) if income is above the cost-of-living for that region
- For agreements with arrears only, the minimum repayment consists of the twelve-month value of all active court-ordered and administrative arrears or 0.5 to 2.5 percent of GMI determined by the income level compared to the cost of living

For both COAP and the new debt reduction program, consistent payment of all active current support orders is required for the duration of the agreement. Note that the 2021 Budget Act included trailer bill language to cease enforcement of state-owed child support arrearages determined to be uncollectible.

Federal Flexibility, Efficiency, and Modernization in Child Support Final Rule (Final Rule).

The federal Final Rule was published in December 2016 by the federal Office of Child Support Enforcement. The Final Rule focuses on setting child support orders that are accurate, and based on the parent paying support's (PPS) ability to pay. The 2017 Guideline Review Report, issued by the Center for Families, Children, and the Courts from the Judicial Council of California reviewed California statutes for compliance with the Final Rule and issued a series of recommendations for statutory change. The department and Judicial Council convened a workgroup in summer 2019 to review those recommendations and invite stakeholder input regarding proposed changes. Subsequently, AB 3314 (2020) was introduced. That bill included proposals developed by the 2019 workgroup and aimed to bring California into compliance with the Final Rule by September 2022. However, due to the COVID pandemic, the bill did not move forward. In light of the pandemic, the department obtained an extension until September 2024 for compliance with the Final Rule. The proposed trailer bill can be found on the Department of Finance website at: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/603>.

Specific Final Rule requirements the proposed trailer bill addresses include:

- Requirements to consider known specific circumstances of the noncustodial parent. Currently, the statute requires LCSAs to presume the PPS can earn full-time minimum wage if income or income history is unknown, without the ability to alter the presumption based on the individual's known, specific circumstances.
- Ability to Consider Income History as a Known Specific Circumstance. There is currently no definition or qualification for "income history" as used in Family Code section 17400(d)(2), which leads to an inability to utilize income history in initial pleadings.

- Ability to Impute Income based on Earning Capacity in the Initial Pleadings. The proposed language would codify the factors that must be taken into consideration when imputing income based on earning capacity.
- Low-Income Adjustment or Self-Sufficiency Reserve. The proposed language would update the statute to align with the recommendations in the 2021 Guideline Review Report.
- Modification for Incarcerated Parents. The proposed language would codify requirements that states must not treat incarceration as voluntary unemployment, regardless of the type of crime committed.

Staff Comment and Recommendation. Hold open.

The Governor's budget proposes to waive the state's share of recoupment for former CalWORKs cases. During its May 06, 2021, hearing the Subcommittee heard testimony from the Legislative Analyst's office and Anne Stuhldreher, Director of the Financial Justice Project within the Office of the San Francisco Treasurer, about the impact of government-owed debt on custodial parents and families. Most government-owed child support debt is owed by those who are low-income. Staff notes that current CalWORKs families, who are low-income, would also benefit from a full pass-through of child support payments. The Subcommittee may want to inquire about the possibility of extending this proposal to families currently receiving CalWORKs assistance in addition to former CalWORKs families.

Questions. The Subcommittee requests DCSS respond to the following:

1. Please provide an overview of the proposed 2022-23 DCSS budget and briefly describe the significant funding augmentations included in the Governor's budget.
2. The department anticipates a decrease of \$136 million in assistance collections and a decrease of \$14.7 million in non-assistance collections. Is this estimated decrease due to the proposed pass-through policy or other factors?
3. The Governor's budget includes a plan to waive recoupment of assistance costs for families formerly receiving CalWORKs. Why did the Administration choose to only waive recoupment for families formerly receiving assistance? What would it cost to waive recoupment for families currently receiving assistance as well?
4. Did the Administration consider the average proportion of arrears that go unpaid when calculating the estimated revenue loss from the pass-through proposal?
5. Does the administration expect collections or the number of paying cases to increase as a result of the full pass-through for families formerly on CalWORKs?
6. Describe how the department has collaborated with stakeholders, including the Judicial Council, in developing the proposed Final Rule TBL.

Issue 5: 2021 Child Support Budget Investments

Budget Issue. The 2021 Budget Act made several investments in the child support program. Those investments included:

- Local Child Support Agency Funding. \$56.1 million (\$19.1 million General Fund) ongoing to support Local Child Support Agency staffing and services.
- Child Support Collectability Study. \$375,000 (\$127,500 General Fund) for the department to conduct a study into the collectability of child support arrears.
- Local Child Support Courts and Child Support Funding. \$23.8 million (\$8.1 million General Fund) ongoing to support the Child Support Commissioner and Family Law Facilitator program.
- Uncollectible Child Support Debt. Trailer bill language that would, as of January 1, 2023, cease enforcement of state-owed child support arrearages that have been determined to be uncollectible. Enforcement would only cease provided that no reduction in aid or payment to a custodial parent would result.

LCSA Funding. The proposed 2019 Governor's Budget included an ongoing funding methodology for LCSAs. The proposed funding methodology increased funding by \$19.1 million in 2019-20, ramping up to \$57.2 million in 2021-22. However, in response to the expected budget impacts of the COVID-19 recession, the final 2020 budget reduced funding to 2018-19 budget levels, and the ongoing augmentation proposed in 2019 was not implemented. The 2021 budget raised funding levels to those proposed in the 2019 ongoing funding.

Collectability Study. Due to the number of cases that have an arrears balance the department requested funding for a collectability study in the 2021 budget. The study should assist the department in collecting and analyzing data to determine if parents can pay their arrears and if the government debt can be reviewed and compromised or determined as uncollectible. The department has indicated that this study will also assist in the implementation of the 2021 trailer bill language that would cease enforcement of state-owed arrearages determined to be uncollectible.

Staff Comment and Recommendation. This is an informational item. No action is needed.

Questions. The Subcommittee requests DCSS respond to the following:

1. How have LCSAs used the additional funding provided in the 2021 Budget Act? Has that funding been used to hire additional staff or to implement new programs?
2. Please provide an update on the collectability study funded in the 2021 Budget Act. Has work on that study begun? How has the department engaged stakeholders, including the Judicial Council, in this work?

5180 DEPARTMENT OF SOCIAL SERVICES - CALWORKS**Issue 6: CalWORKs Overview**

Governor's Proposal. The Governor's budget includes \$6.6 billion for the CalWORKs program in 2022-23. This amounts to a net increase of \$277.7 million compared to the 2021 enacted budget. The budget proposes a notable increase in the amount of General Fund going towards CalWORKs (77 percent), although the state still accounts for a fairly small share of overall program costs (19 percent).

CalWORKs Budget Summary

All Funds (Dollars in Millions)

	2021-22 Revised	2022-23 Proposed	Change From 2021-22	
			Amount	Percent
Number of CalWORKs cases	353,974	398,409	44,435	13%
Cash grants^a	\$3,457	\$3,880	\$423	12%
Single Allocation				
Employment services	\$1,138	\$1,182	\$44	4%
Cal-Learn case management	15	18	3	17
Eligibility determination and administration	679	624	-55	-8
Subtotals	(\$1,832)	(\$1,824)	-\$8	(-)
Stage 1 child care	\$384	\$451	\$68	18%
Other allocations				
COVID-19 relief payments	\$203	—	-\$203	—
Home Visiting Program	89	\$97	8	9%
Housing Support Program	285	285	—	—
Other	313	314	1	—
Subtotals	(\$889)	(\$695)	-\$194	-(22%)
Other^b	\$5	\$7	\$2	41%
Totals	\$6,567	\$6,857	\$291	4%

^a Does not include the cost of an estimated 7.3 percent grant increase funded by certain realignment revenues, which the Governor's budget projects beginning in October 2022. We roughly estimate this would increase cash grants by about \$200 million in 2022-23.

^b Primarily includes various state-level contracts.

The Governor's budget also includes the following within the CalWORKs program:

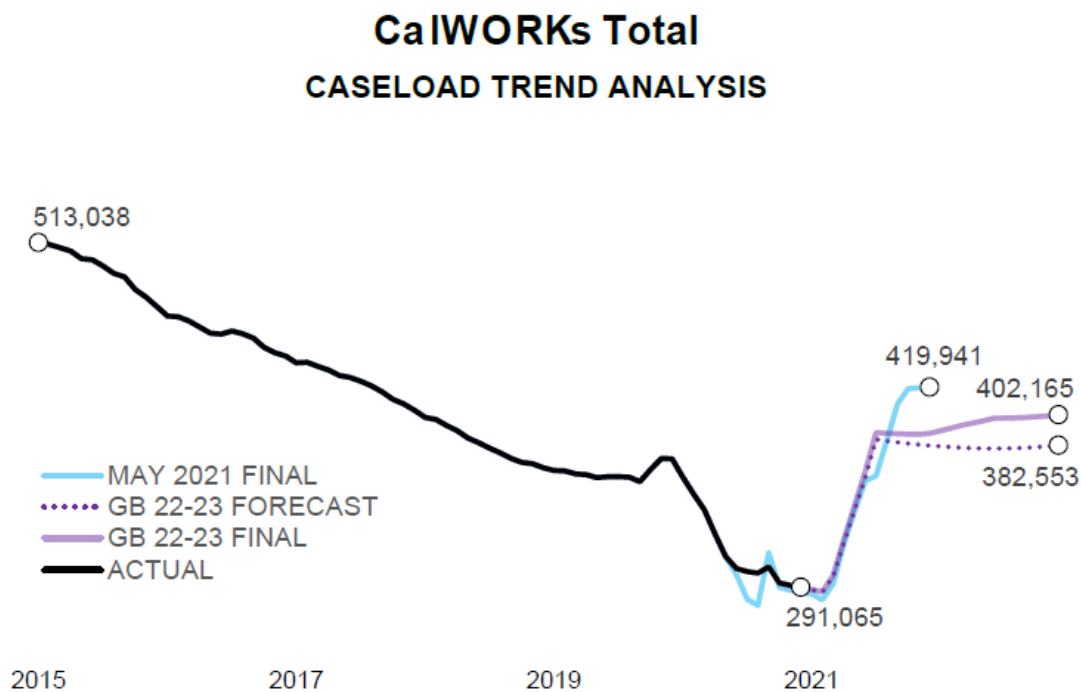
- A projected 7.1 percent increase to CalWORKs maximum aid payment levels, with an estimated cost of \$200.7 million, funded entirely by the Child Poverty and Family Supplemental Support Subaccount.
- \$36.5 million in 2021-22 and \$80.5 million in 2022-23 in CalWORKs benefits, employment services, and child care for 20,000 Afghan arrivals (adults with children), beginning September 2021. Note that the Subcommittee will discuss funding for Afghan arrivals in more detail during its March 1, 2022, hearing which will cover programs within the Office of Equity.

Background. California Work Opportunities and Responsibilities to Kids (CalWORKs), the state’s version of the federal Temporary Assistance for Needy Families (TANF) program, provides cash assistance and welfare-to-work services to eligible low-income families with children. CalWORKs is funded through a combination of the federal TANF block grant, the state General Fund, and other various funding allocations from the state, realignment funds, and other county funds.

Counties are reimbursed monthly for the costs of assistance payments, which are an entitlement. Administration and services costs are reimbursed to counties quarterly. The counties receive a Single Allocation which combines the funding for Eligibility Administration, Employment Services, Child Care, and Cal-Learn into one allocation that may be used interchangeably. All other funding for various program services is separately allocated.

Caseload. Before COVID-19, the total CalWORKs caseload had been declining along with California’s improving economy (i.e. a decline in the unemployment rate). Between January 2021 and June 2021 CalWORKs cases declined by an average of 0.7 percent per month, however cases were 2.3 percent higher than the 2021 Budget Act projections. For the 2022-23 Governor’s Budget, CDSS projects the final caseload for 2021-22 will increase by 12.5 percent from the previous fiscal year, and the final caseload for 2022-23 will increase by 12.6 percent.

The 2022-23 Governor’s Budget caseload assumes an increase in caseload due to the expiration of unemployment insurance (UI) benefits in September 2021. The estimated caseload impact due to the expiration of UI reflects the most recent available data from the Employment Development Department (EDD). EDD estimates that unemployment benefits expired for 2.2 million Californians in September 2021.



Other Programs. Other programs under the CalWORKs umbrella include Cal-Learn, the CalWORKs Homeless Assistance Program (HAP), the CalWORKs Housing Support Program (HSP), the Family Stabilization Program, and the CalWORKs Home Visiting Program. Cal-Learn provides special supportive services and intensive case management for pregnant and parenting teens. The CalWORKs HSP and HAP provide services to help house CalWORKs families. Both of these programs will be discussed in more detail in Issue 9 of this document. The Family Stabilization program provides services in addition to a county's welfare-to-work program for families experiencing a crisis. Services include behavioral health, domestic violence, and other treatment for family members, non-medical outpatient drug treatment, emergency shelter, rehabilitative services, and/or substance abuse counseling and treatment. The CalWORKs Home Visiting Program is a voluntary program administered by participating counties to support positive health, development, and well-being outcomes for pregnant and parenting individuals, families, and infants born into poverty.

Child Poverty and Family Supplemental Support Subaccount. The Child Poverty and Family Supplemental Support Subaccount is used to fund CalWORKs assistance grant increases, as well as the repeal of the Maximum Family Grant (MFG) rule, which took effect January 1, 2017. In conjunction with the Governor's Budget in January and the annual May Revision, the Administration estimates the total amount of funding that will be in the subaccount. If that amount is not enough to fully fund the costs of all the CalWORKs assistance grant increases already provided plus the MFG repeal, the state General Fund makes up the difference. If there is more funding in the subaccount than is needed to fund all the CalWORKs assistance grant increases and the MFG repeal, then an additional grant increase is triggered that equals an amount that the available funding is estimated to support.

Previous Grant Increases. The 2018 budget increased the maximum aid payment (MAP) amounts for CalWORKs recipients by 10 percent effective April 1, 2019, and included \$90 million in 2018-19 and \$360 million annually thereafter. Trailer bill language also stated the intent of the Legislature to provide future grant increases in 2019-20 and 2020-21 to increase grants to no less than 50 percent of the federal poverty level (FPL). The FPL is a measure of income issued by the federal government each year to determine eligibility for programs and benefits. The 2022 FPL for a family of three living in the United States is \$23,030 annually and the 2021 FPL for a family of three is \$21,960.

The 2019 budget included \$331.5 million in 2019-20 and \$441.8 million annually thereafter to increase MAP amounts so grants for assistance units (AUs) of one person were at 50 percent of the 2019 FPL. Grants for all other AU sizes were increased to no less than 47 percent of the 2019 FPL. The 2021 Budget Act included \$141.9 million in 2021-22 to reflect a 5.3 percent increase to CalWORKs MAP levels.

The tables below, with data from the LAO, show how the proposed grant increase would impact grants in both high-cost and low-cost counties, as well as the share of the 2022 FPL for the AU plus one.

Low-Cost Counties						
Before 7.1 Percent Increase				After 7.1 Percent Increase		
AU Size	Amount	As Share of FPL		Amount	As Share of FPL	As Share of FPL, AU+1
1	\$548	49%		\$587	52%	38%
2	696	46		745	49	39
3	878	46		940	49	41
4	1,060	46		1,135	49	42
5	1,243	46		1,331	49	43

High-Cost Counties						
Before 7.1 Percent Increase				After 7.1 Percent Increase		
AU Size	Amount	As Share of FPL		Amount	As Share of FPL	As Share of FPL, AU+1
1	\$579	51%		\$620	55%	41%
2	733	48		785	51	41
3	925	48		991	52	43
4	1,116	48		1,195	52	44
5	1,308	48		1,401	52	45

Staff Comment and Recommendation. Hold open.

The Legislature has long recognized the deep, devastating impact living in poverty can have on children and families. Children living in poverty not only experience hunger and instability but other less obvious effects such as behavioral issues and social and emotional development difficulties. To that end, the Senate has committed to increasing grants for CalWORKs recipients so no child lives in deep poverty. The 2018 budget included language stating the intent of the Legislature to provide future grant increases so that grants are no less than 50 percent of the FPL for the family size that is one greater than the assistance unit. Yet, the state has not reached that goal. According to the LAO, in roughly 65 percent of CalWORKs cases, one or more people in the family are not eligible for CalWORKs and therefore the assistance unit size is smaller than the family size. The Subcommittee may want to inquire about the remaining steps to increase grants so that they are no less than 50 percent of the FPL for one additional person and the costs of that change.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide an overview of the proposed 2022-23 CalWORKs budget and describe the significant funding augmentations included in the Governor's budget.
2. Please detail the recent trends in CalWORKs caseload, application denials, and exit rate.
3. The budget proposes a reduction of \$55 million to eligibility and administration funding for counties, yet caseload is expected to increase by 12.6 percent. Please explain the rationale for the reduction in eligibility administration funding when the caseload is expected to increase.

5180 DEPARTMENT OF SOCIAL SERVICES – CALFRESH AND NUTRITION PROGRAMS**Issue 7: CalFresh and Nutrition Overview**

Governor’s Proposal. The revised 2021-22 budget includes \$2.32 billion (\$789.1 million General Fund) for CalFresh administration. In 2022-23, the proposed budget includes \$2.34 billion (\$812.2 million General Fund), which represents a projected increase of \$355 million (\$178.9 million General Fund) from 2021-22.

A total of \$44 million for federal fiscal years 2022 and 2023 in 100 percent federal funds is provided to California through the American Rescue Plan Act (ARPA) to supplement state administrative funding and improve business processes and technology.

The proposed 2022-23 budget also includes \$50 million one-time General Fund for food banks to mitigate the increase in food needs among food-insecure populations.

In alignment with the 2021 Budget Act, the Governor’s budget plans to expand the California Food Assistance Program (CFAP) for all California residents 55 or older regardless of immigration status. This issue will be discussed in more detail later in this agenda document.

Background. CalFresh is California’s version of the federal Supplemental Nutrition Assistance Program (SNAP). SNAP is an entitlement program that provides eligible households with federally funded monthly benefits to purchase food and maintain adequate nutrition. The program is administered at the federal level by the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS). This includes the determination of eligibility standards and benefit levels. CDSS is the designated state agency responsible for program oversight in California and each county is responsible for local administration and benefit delivery.

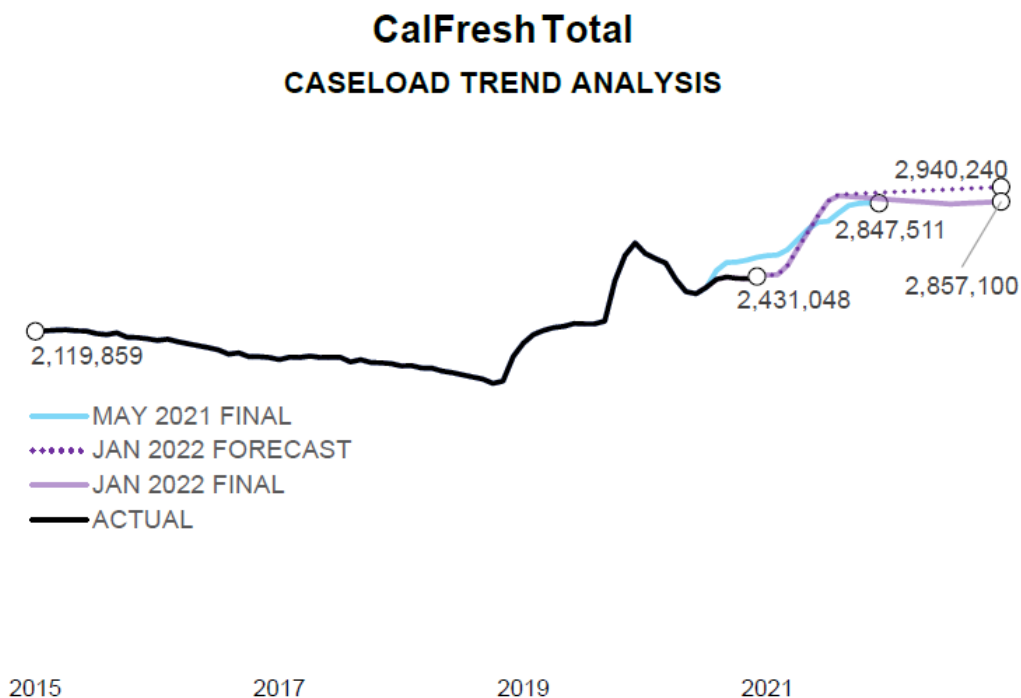
CalFresh food benefits are 100 percent federally funded. CalFresh administration costs are funded with fifty percent federal funds, thirty-five percent General Fund, and fifteen percent county funds, except for state-mandated program changes. Administrative costs for state-mandated program changes are funded with fifty percent federal funds and fifty percent General Fund. The California Food Assistance Program (CFAP) is funded 100 percent General Fund for both benefits and administrative costs.

CalFresh food benefits are issued through an EBT card which cardholders can use at point-of-sale terminals authorized by FNS. Grocers and other retailers are paid directly by the federal government for the dollar value of purchases made with CalFresh food benefits.

County Administration Funding. The budgeting methodology to determine the amount of state funding provided to pay for its share of CalFresh administration costs is based on costs as they existed 20 years ago (in 2000-01) and is only funding about 60 percent of current county costs. The current methodology began when the state experienced a recession in the early 2000s and stopped providing annual cost-of-living adjustments (COLAs) as a way to reduce state costs. Since then, the state has provided funding for most, but not all, of the caseload increases over the past two decades (at early 2000s cost levels), but has given no COLAs to cover operational cost increases over time.

The 2020 Budget Act required the department, in partnership with counties, to update the budgeting methodology used to determine the annual funding for county administration of the CalFresh Program, beginning with 2021-22. The subsequent Budget Act delayed the development of this budgeting methodology to 2022-23. The Governor's Budget continues to propose delay of the implementation of the new methodology to 2023-24.

Caseload. In the last six months of 2020-21 (January 2021 – June 2021), the caseload has been increasing by an average of 0.7 percent each month. For the 2022-23 Governor's Budget, CDSS projects the final caseload for 2021-22 will increase by twelve percent from the previous fiscal year, and the final caseload for 2022-23 will increase by 4.7 percent.



Emergency Allotments and Federal Funding. In March 2020, California requested authority from the federal government to provide emergency allotments to CalFresh households not currently receiving the maximum benefit allotment. The emergency allotments raised each household's allotment to the maximum allowable based on household size. The request was approved by the federal government in March 2020 and has been extended monthly since then. The Administration has indicated that it will continue to request emergency allotments until the state of emergency is no longer in place. At the time of writing, this policy has been approved for extension until March 2022. Since March 2020, an average of approximately 1.9 million households have received an average of \$226 in emergency nutrition allotments each month.

As mentioned above, the state received \$44 million in federal funds via ARPA to supplement administrative funding. The department is currently engaging counties, client advocates, and other stakeholders to determine a spending plan for this funding. For 2022, the federally approved plan includes race, equity, inclusion, and implicit bias training, expanded language access, and CalSAWS enhancements, among other items.

EBT Online Purchasing. While the capacity to purchase food online using EBT was planned before the pandemic, the onset of the pandemic hastened its buildout. On April 28, 2020, EBT online purchasing via Amazon and Walmart went live. On November 12 of the same year, Albertsons and Safeway launched online purchasing for pickup and participating stores. The EBT SNAP card can now also be used to pay for groceries on Instacart who has expanded its vendors in California and now includes SaveMart, FoodMaxx, Lucky Supermarkets, ALDI, Food 4 Less, and Rancho San Miguel. On January 25, 2022, the “Sam’s Club Scan & Go” mobile application feature went live and allows its members to check out on their phone using EBT. As of January 31, 2022, customers have placed 13.5 million online transactions using EBT cards at Amazon, Walmart, and ALDI, SaveMart, Food 4 Less, Rancho San Miguel, and Safeway combined.

Pandemic Electronic Benefit Transfer (P-EBT). P-EBT is a federal program administered by the department in collaboration with the California Department of Education (CDE). The program provides food benefits to ensure children continue to receive food assistance if unable to attend school or child care in person due to the pandemic. Only school-age children were eligible for the first iteration of the program (P-EBT 1.0) which covered the 2019-20 school year; children under six were made eligible in the second iteration (P-EBT 2.0). The P-EBT 1.0 Extension provided benefits for August and September 2020 and P-EBT 2.0 covered the 2020-21 school year. The P-EBT 3.0 will cover the 2021-22 school year; the plan is currently being finalized with CDE and will be submitted to USDA FNS for approval. The table below depicts outcome data for P-EBT 1.0.

Summary of Statewide P-EBT Data	Value
Total Eligible Children Issued P-EBT Benefits	3,738,746
Total P-EBT Benefits Issued	\$1,362,140,097
Total Automatically Eligible Children Issued P-EBT Benefits	2,256,807
Total Applicant Eligible Children Issued P-EBT Benefits	1,481,939
Total Cards Issued to Automatically Eligible Children ¹	1,640,403
Total Cards Issued to Applicant Children ¹	1,253,956
Total Applications Received (unduplicated)	1,374,413
Total Children Issued Full Benefits	3,719,015
Total Children Issued Prorated Benefits	19,723

*Note that the data in this table only reflects P-EBT 1.0.

Staff Comment and Recommendation. Hold open.

The 2020 Budget Act required the department to develop an updated budget methodology for CalFresh administrative costs but the department has delayed this work due to the COVID-19 pandemic. In the meantime, counties are providing services and support to additional families in new ways due to the COVID-19 pandemic. The Subcommittee may want to consider providing additional funding in the budget for county CalFresh administrative costs. The County Welfare Director’s

Association (CWDA) has estimated that additional one-time funding of \$60 million will help shore up counties until the new methodology is developed.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide an overview of the proposed 2022-23 budget for CalFresh and other nutrition programs, highlighting significant funding augmentations in the budget.
2. How did the Administration determine the \$50 million amount proposed for food bank funding in 2022-23?
3. Please provide an update on the development of the 2023 spending plan for the ARPA funds to supplement state SNAP administrative funding. What types of activities does the Administration intend to include in the spending plan?
4. The department has delayed updating the budget methodology for county administration costs due to the COVID-19 pandemic. When does the department estimate it will begin working with counties to develop that methodology?

Issue 8: 2021 Budget Investments – CalFresh and Nutrition Programs

Budget Issue. The 2021 Budget Act made several significant investments in CalFresh and other nutrition programs administered by CDSS. Those investments and other provisions include:

- \$5 million General Fund in 2021-22 and \$40 million General Fund in 2022-23 to begin automation changes necessary to expand the California Food Assistance Program to individuals regardless of immigration status. The proposed 2022-23 Governor’s budget plans to expand the program for all California residents 55 or older regardless of immigration status. Trailer bill language associated with the 2021 Budget specified only that the expansion would be age-based but did not identify which age ranges would first benefit.
- \$100,000 General Fund one-time to develop a CalFresh user-centered simplified paper application for older adults and people with disabilities. The budget also includes trailer bill language requiring the department to develop the application by July 1, 2023.
- \$5 million General Fund in 2021-22, \$11 million General Fund in 2022-23, and \$10 million General Fund in 2023-24 for increased outreach and support to mitigate attrition from the Transitional Nutrition Benefit (TNB) program. The budget also included trailer bill language that extends the time for required documentation and information to be provided to restore discontinued benefits for the TNB Program to 90 days and maintains eligibility for all beneficiaries for two years by pausing discontinuances.
- Trailer bill language required the department, in consultation with stakeholders, to develop recommendations to implement a fully telephone-based service model statewide.

California Food Assistance Program (CFAP). The CFAP provides food benefits for eligible noncitizens who meet all CalFresh eligibility criteria except for their immigration status. To be eligible for CalFresh, legally present noncitizens must have been in the country for five years, disabled, a member of certain refugee communities, under the age of 18, or over the age of 59. The CFAP serves all other legally present noncitizens. In 2020-21, CFAP benefits were \$69 million General Fund (\$165 average monthly per person), and administration costs were \$2.5 million General Fund. (In line with benefit augmentations for CalFresh, CFAP benefits also were temporarily expanded in response to COVID-19.)

Simplifying CalFresh for Seniors. Since 2017, CDSS has participated in the federal Elderly Simplified Application Project (ESAP). It is a demonstration project that seeks to increase CalFresh participation among the elderly population by streamlining the application and certification process. As part of that project, California has waived annual recertification interviews, simplified the verification process, and allows for a thirty-six month certification period for eligible households, instead of twelve months. CDSS was authorized by the FNS to continue operating the ESAP for another five years beginning October 1, 2021, and ending September 30, 2026. The new ESAP approval eliminates the periodic reporting requirement for ESAP households upon the completion of automation and confirmation of the policy effective date. The anticipated completion date for automation was January 1, 2022, with an anticipated policy effective date of March 1, 2022.

The 2021 Budget Act sought to simplify access for California seniors and Californians with disabilities even further by requiring the department to develop a simplified CalFresh application. The budget required the department to develop this application by July 1, 2023.

Supplemental Nutrition Benefit (SNB) and Transitional Nutrition Benefit (TNB) Programs. In a similar effort to enroll more eligible seniors into the CalFresh program, the state expanded the CalFresh program to individuals receiving SSI/SSP in 2019. Before this, SSI/SSP recipients were not eligible for the program. The state also created the SNB and TNB programs. CalFresh households negatively affected by the expansion of CalFresh were eligible for the SNB and TNB programs. The SNB program provides state-funded nutrition benefits for households that include at least one SSI/SSP recipient and would have had their CalFresh benefits reduced when the SSI/SSP recipient is added to the household. The TNB program provides state-funded nutrition benefits for households that include at least one SSI/SSP recipient and would have become ineligible for CalFresh benefits when the SSI/SSP recipient is added to the household. The SNB and TNB programs were designed to “hold harmless” families that may have been adversely affected when CalFresh was opened up to SSI/SSP recipients.

Households eligible for the TNB Program were initially certified for one 12-month period. Eligible households were then recertified for additional six-month periods. The previous policy required that if a household loses TNB program eligibility for failure to provide the documentation or information required to determine continuing eligibility, TNB program eligibility may be restored without proration back to the original date of discontinuance if all documentation and information required to determine continuing eligibility is provided to the county within 30 days of the discontinuance from the TNB program. The 2021 Budget Act extended the recertification period to 12 months and increased the restoration period to 90 days. To allow time for the automation of the extension of the TNB restoration period, recertification for all TNB households was paused beginning in November 2021. As of September 2021, there were 2,707 households enrolled in the TNB program.

Staff Comment and Recommendation. This is an informational item. No action is necessary.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please give an update on planning and automation activities related to the expansion of CFAP.
2. What is the status of the simplified application for older adults and individuals with disabilities? Has the department begun to work on its development?
3. Please provide updates on both the TNB and SNB programs. How many families are enrolled in those programs? How has this changed over the past twelve months?
4. Please provide an update on the expansion of the CalFresh program to SSI/SSP recipients. How many SSI/SSP recipients have been enrolled in CalFresh since the program expansion?
5. Please provide an update on the recommendations for a statewide telephone-based service model. How has the department consulted counties and other stakeholders to develop these recommendations? Have final recommendations been developed?

5180 DEPARTMENT OF SOCIAL SERVICES – HOUSING AND HOMELESSNESS PROGRAMS

Issue 9: Housing and Homelessness Programs Overview

Background. DSS’ Housing and Homelessness Branch (HHB) team has designed and stood up pilot programs to support critical needs in local communities through the development of the Housing Support Program (HSP), Bringing Families Home (BFH), Housing and Disability Advocacy Program (HDAP), Home Safe and Project Roomkey. Currently, CDSS develops, implements, monitors, and supports seven statewide housing programs with more than 250 program grantees. These programs serve a significant portion of the population of Californians experiencing homelessness. In 2020, CDSS HHB programs served over 100,000 individuals experiencing homelessness or housing instability, or at risk of homelessness.

The 2021 state budget invested \$2 billion into CDSS housing and homelessness programs.

Program	Funding through 2021-22	2021-22 Additional Funding	Total Funding in 2022-23
CalWORKs Homeless Assistance	\$66.5 million in 2019-20; Entitlement program	Entitlement program	\$66.5 million
CalWORKs Housing Support Program	\$95 million ongoing	\$190 million one-time	\$285 million
Bringing Families Home	\$25 million between July 2019 and June 2022	\$92.5 million one-time	\$92.5 million
Housing and Disability Advocacy Program	\$25 million ongoing	\$150 million one-time	\$175 million
Home Safe	\$15 million between July 2018 and June 2021, extended to June 2022	\$92.5 million one-time	\$92.5 million
Project Roomkey	\$62 million in 2020-21	\$150 million one-time	N/A
Community Care Expansion	N/A	\$805 million (available over three years; proposed GF to be encumbered by June 2027)	

*Note: The Community Care Expansion program will be discussed in more detail in the next agenda item.

Governor’s Proposal. The Governor’s budget includes \$352,000 General Fund ongoing to support two positions that will help implement new requirements and assist grantees with collecting and reporting data into the Homeless Management Information System (HMIS).

Housing and Homelessness Programs administered by CDSS include:

CalWORKs Homeless Assistance (HA) Program. The CalWORKs HA program was established to help families in the CalWORKs program meet the costs of securing or maintaining permanent housing or to provide emergency shelter when a family is experiencing or at risk of homelessness. The program is an entitlement benefit available in all fifty-eight counties. Assistance can be temporary or permanent. Temporary assistance provides a daily payment for families to secure housing for up to sixteen calendar days in twelve months. Permanent assistance can be provided via security deposit costs or up to two months of rent arrearages. In 2020-21, the program approved temporary assistance for 30,863 families and permanent assistance for 1,683 families.

CalWORKs Housing Support Program (HSP). The CalWORKs HSP is intended to foster housing stability for families experiencing or at risk of homelessness in the CalWORKs program. The program provides assistance as quickly as possible without preconditions. Supports include financial assistance as well as housing-related wraparound support services. Currently, fifty-four counties participate in the program. In 2020-21, over 3,400 families were housed through the program. More than 26,700 families have been permanently housed through the program since its inception. Planning allocations were released in July 2021 and one-time funds were allocated in early December 2021.

Bringing Families Home (BFH) Program. The BFH program aims to reduce the number of families in the child welfare system experiencing or at risk of homelessness, increase the number of families reunifying, and prevent foster care placement. Currently, twenty-two counties and one tribe participate in the program. The program offers financial assistance and housing-related wraparound services. From the start of the program in 2016 through August 2021 more than 1,600 families have been permanently housed. Participants have reported that the program provides the stability families need to reunify and better achieve their child welfare case plan goals.

Housing and Disability Advocacy Program (HDAP). HDAP assists people experiencing or at risk of homelessness, who are also likely eligible for disability benefits. The program provides outreach, case management, benefits advocacy, and housing supports. Forty-four counties and two tribes participate in the program. Since 2017-18, the program has helped 2,200 people find permanent housing and 4,300 disability applications have been submitted. Notably, grantees have integrated the program's services into Project Roomkey. Updated guidance and a funding letter were issued in September 2021, with a deadline to accept funds by December 3, 2021.

Home Safe Program. The Home Safe program supports the safety and housing stability of people involved in Adult Protective Services, or those in the process of intake by providing homeless assistance and prevention. The program provides a range of housing interventions including housing-related intensive case management, housing-related financial assistance, legal services, eviction prevention, and landlord mediation. Twenty-five counties participate in the program. As of June 2021, over 2,500 people have received assistance through the program.

Project Roomkey. Project Roomkey was established in March 2020 in response to the COVID-19 pandemic. The program provides safe shelter for vulnerable populations that need to quarantine. The Project Roomkey and Rehousing Strategy provides support for participants to make permanent transitions to safe and stable housing while continuing to provide ongoing, non-congregate shelter. Rehousing services may include direct financial assistance, housing navigation, and housing case management. One hundred percent reimbursement for shelter costs from the Federal Emergency Management Agency (FEMA) is available for counties and tribes that demonstrate eligible expenses

through at least April 1, 2022. Over the lifetime of the program, 16,000 rooms have been secured and over 50,000 individuals have been sheltered.

Community Care Expansion (CCE) Program. The CCE program funds the acquisition, construction, and rehabilitation of adult and senior care facilities that serve applicants and recipients of Social Security Income (SSI) or Cash Assistance Program for Immigrants (CAPI) including individuals who are at risk of or experiencing homelessness. The program also provides operating reserves for existing licensed adult residential facilities (ARF) and residential care facilities for the elderly (RCFE). This program will be discussed in the next issue in this document.

Staff Comment and Recommendation. Hold open.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide an overview of the proposed 2022-23 budget for the CDSS housing and homelessness programs, highlighting significant funding augmentations in the budget.
2. What is the status of the allocations to counties and implementation of the additional funding for various CDSS housing and homelessness programs provided in the 2021 Budget Act?
3. How many individuals have moved into permanent housing through the Project Roomkey Rehousing Strategy? How many have moved into temporary housing?
4. Has the increased funding for HDAP shown increased success in obtaining SSI for individuals?

Issue 10: Community Care Expansion (CCE) Program

Budget Issue. As mentioned above, the 2021 Budget Act provided a total of \$805 million General Fund over three years for the program. \$55 million of that total is set aside to provide operating funds to existing licensed Adult Residential Facilities (ARFs) and Residential Facilities for the Elderly (RCFEs). \$450 million of the funding for the program is from the federal American Rescue Plan Act (ARPA) and the Coronavirus Fiscal Recovery Fund. These federal funds must be obligated by June 2024 and liquidated by December 2026.

The California Health and Human Services Agency have bundled the CCE program with another program, the Behavioral Health Continuum Infrastructure Program (BHCIP). This item will only be discussing CCE.

Background. Under the CCE program, qualified grantees will administer projects for the acquisition, construction, or rehabilitation of property to be operated as residential adult and senior care facilities, or to promote the sustainability of existing licensed residential adult and senior care facilities through the provision of capitalized operating subsidy reserves. The department will awards funds to grantees that may include, but are not limited to, counties, tribes, or jointly applying counties and tribes.

Capital Expansion Projects. Approximately 75 percent of funds will be made available for capital expansion projects including acquisition, construction, and rehabilitation of residential care settings. Grantees may be approved to use a portion of these funds to establish a capitalized operating subsidy reserve (COSR) for these projects, available for use for up to 5 years. Applications for CCE capital expansion project funding will be accepted on a project basis through a Request for Applications (RFA) and funded on a rolling basis until funds are exhausted. The RFA was released on January 31, 2022.

Preservation Projects. Approximately 25 percent of the funds will be made available for rehabilitation to preserve settings that serve the target and prioritized populations, including \$55 million for COSRs for existing licensed facilities, including but not limited to those facilities that receive rehabilitation funding. This funding intends to immediately preserve licensed facilities currently serving SSI/SSP or CAPI recipients. These funds will be provided to counties and tribes through a direct-to-county and -tribe allocation process that had not been announced at the time of writing. The funds will be non-competitive and made available to all counties. Counties and tribes will award funds to facilities.

Advocates for Human Potential, Inc. (AHP), a consulting and research firm focused on improving health and human services systems, is serving as the administrative entity for CCE. Beginning in January 2022 and as part of the RFA process, AHP will provide pre-application consultations and technical assistance to individual applicants. In addition, AHP will offer ongoing general training and technical assistance throughout the life of the project.

Staff Comment and Recommendation. This is an informational item. No action is necessary.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide an update on the implementation and timeline of the CCE program. How many new beds does the department expect to establish through this program?
2. What is the estimated need for preservation funds across the state, specifically the COSRs? How far will the provided \$55 million go in meeting that need?
3. How does the department envision the preservation funds will be allocated to counties and tribes?