

SUBCOMMITTEE NO. 3

Agenda

Senator Caroline Menjivar, Chair
Senator Susan Talamantes Eggman, Ph.D.
Senator Shannon Grove
Senator Richard D. Roth



Thursday, April 27, 2023
9:30 am, or upon adjournment of session
1021 O Street – Room 1200

Consultant: Elizabeth Schmitt

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PUBLIC COMMENT

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5180 DEPARTMENT OF SOCIAL SERVICES – CALFRESH AND NUTRITION PROGRAMS**Issue 1: CalFresh and Nutrition Overview**

Governor’s Budget. The revised 2022-23 budget includes \$2.1 billion (\$760.3 million General Fund) for CalFresh administration, which represents an increase of \$201.4 million (\$29.1 million General Fund) from the 2022 Budget Act. In 2023-24, the proposed budget includes \$2 billion (\$734.7 million General Fund), which represents a projected decrease of \$130.2 million (\$25.6 million General Fund) from the revised 2022-23 Budget Act. The decrease reflects the ramp down in funding for the CalFood Augmentation, the end of P-EBT, funding for special food programs, the sunseting of the CalFresh Temporary Student Eligibility Expansion, and the completion of initial cross training for CalFresh Simplifications.

CalFresh. CalFresh is California’s version of the federal Supplemental Nutrition Assistance Program (SNAP), an entitlement program that provides eligible households with federally funded monthly benefits to purchase food. The California Department of Social Services (CDSS) oversees the CalFresh program and each county is responsible for local administration. The projected CalFresh caseload for 2022-23 is over 2.7 million households, representing 4.8 million Californians. The average monthly benefit in 2022-2023 is \$445.33 per household, or \$251.59 per person.¹ The Public Policy Institute of California reports that CalFresh kept one million Californians out of poverty in 2021.²

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. CalFresh food benefits are issued through an EBT card which cardholders can use at point-of-sale terminals authorized by the United States Department of Agriculture, Food and Nutrition Service (FNS). Grocers and other retailers are paid directly by the federal government for the dollar value of purchases made with CalFresh food benefits.

Federal benefits, which include a 12.5 percent COLA increase for Maximum Allotments beginning October 1, 2022, are expected to be approximately \$19.1 billion in 2022-23 and \$8.9 billion in 2023-24. The estimated impact of the COLA is \$713.9 million in 2022-23 and \$973.7 million in 2023-24. The year-over-year decrease in estimated benefits reflects the end of emergency allotments, Pandemic Electronic Benefit Transfer (P-EBT), and CalFresh Temporary Student Eligibility Expansion.

California Food Assistance Program (CFAP). CFAP provides food benefits to approximately 35,000 legal permanent residents who meet CalFresh eligibility criteria but are excluded from SNAP due to federal welfare reform enacted in 1996. Other immigrants, including undocumented immigrants, are not eligible for CFAP benefits. CFAP is funded 100 percent General Fund and benefits are delivered through an Electronic Benefits Transfer (EBT) card identical to CalFresh. The average monthly CFAP benefit in 2022-23 is \$491.27 per household or \$217.76 per person.

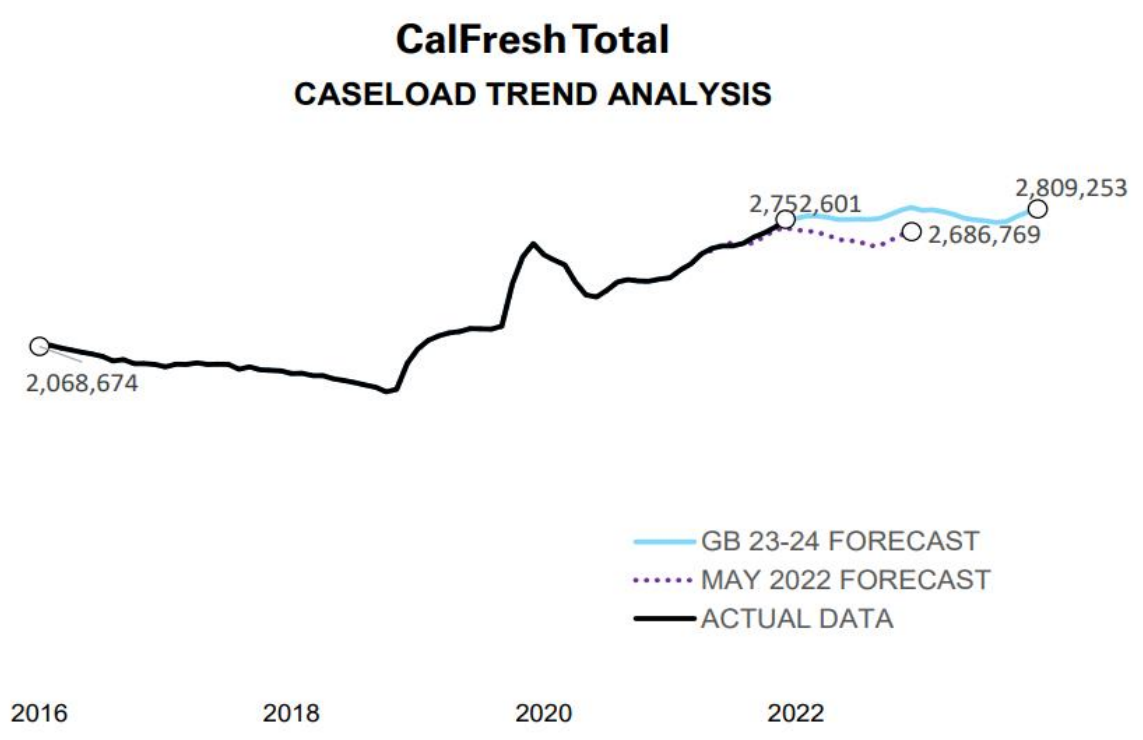
¹ Includes average monthly CalFresh benefit plus average monthly federal emergency allotment.

² Caroline Danielson, Patricia Malagon, and Sarah Bohn, “Poverty in California,” *PPIC*, October 2022.

The California Food Assistance Program (CFAP) is funded 100 percent General Fund for both benefits and administrative costs. CFAP benefits, which include the 12.5 percent COLA increase, are expected to be approximately \$100.4 million General Fund in 2022-23 and \$75.8 million General Fund in 2023-24. The estimated impact of the COLA is \$5.9 million in 2022-23 and \$8.1 million in 2023-24. The year-over-year decrease in estimated benefits reflects the end of emergency allotments and CalFresh Temporary Student Eligibility Expansion.

The Governor’s budget includes a two-year delay in the implementation of the CFAP. A discussion of the CFAP expansion, including the delay, is included in Issue 4 of this agenda.

Caseload. The average monthly CalFresh caseload is expected to grow 6.4 percent in 2022-23 and 0.2 percent in 2023-24. The Governor’s budget projects the CalFresh caseload to be 2.8 million households in 2023-24.



Source: CDSS.

County Administration Funding. The budgeting methodology to determine the amount of state funding provided to pay for its share of CalFresh administration costs is outdated and does not fully cover 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. Subsequent Budget Acts delayed the development of this budgeting methodology

to 2022-23, and again to 2023-24. The 2022 Budget Act included \$53 million General Fund one-time for administrative support for the CalFresh program. A proposal to update the budget methodology for the CalFresh county administration funding is anticipated in the Governor's May Revision.

CalFood. The CalFood program allocates funding to California's network of food banks to purchase food primarily sourced from California. The 2022 budget included \$112 million General Fund total for the CalFood program in 2022-23 and approved an additional \$52 million General Fund in 2023-24 above the program's baseline budget in 2023-24. The Governor's budget maintains the agreement to fund an additional \$52 million for CalFood in 2023-24. According to CDSS, the CalFood augmentation has been vital for food banks to secure food and reduce supply chain issues.

Child and Adult Food Program. The Child and Adult Care Food Program (CACFP) provides cash reimbursements for nutritious meals served to infants, children, and adults in care settings. Eligible childcare centers, adult day care centers, afterschool care centers, emergency shelters, and day care homes can participate in the CACFP and receive reimbursements to cover some of their food costs. The 2023-24 Governor's Budget includes \$692.0 million (\$18.0 million General Fund) in 2022-23 and \$693.5 million (\$19.5 million General Fund) in 2023-24 for CACFP based on expected claims and COLA increases, which represents an increase of \$150.4 million (\$1.8 million General Fund) from the 2022 Budget Act. The 2022-23 COLA increase was 6.56 percent and the 2023-24 COLA increase is 8.13 percent.

Staff Recommendation. Hold open.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide an overview of the proposed 2023-24 budget for CalFresh and other nutrition programs, highlighting significant changes in the budget.
2. Please provide an overview on the CalFresh caseload, including projected caseloads for 2023-24.
3. Please describe the department's progress towards updating the budget methodology for CalFresh county administration costs. How has the department worked with counties to develop that methodology, and when will details be available?

The Subcommittee requests the LAO respond to the following:

1. Please share the LAO's comments on the 2023-24 Governor's budget for CalFresh.

Issue 2: The End of Federal Emergency Allotments and the “Hunger Cliff” in California

The Subcommittee has requested the following individuals to participate in a panel discussion on the end of federal food support initiated during the COVID-19 pandemic and stakeholder proposals to mitigate the “hunger cliff” resulting from this loss of federal support:

- Kim Johnson, Director, California Department of Social Services (CDSS)
- Becky Silva, Government Relations Director, California Association of Food Banks
- Andrew Cheyne, Managing Director of Public Policy, GRACE/End Child Poverty California
- Eli Zigas, SPUR

Hunger in California. Nearly 20 percent of California households are food insecure. Food insecurity is higher for families with children (25.8 percent), Black households (28.9 percent) and Latinx households (29.7 percent).³ Food insecurity in California remains far higher than pre-pandemic levels as food banks continue to see increased demand and CalFresh enrollment is at its highest in recent history.

CalFresh. CalFresh is California’s version of the federal Supplemental Nutrition Assistance Program (SNAP), an entitlement program that provides eligible households with federally funded monthly benefits to purchase food. The California Department of Social Services (CDSS) oversees the CalFresh program and each county is responsible for local administration. The projected CalFresh caseload for 2022-23 is over 2.7 million households, representing 4.8 million Californians. The average monthly benefit in 2022-2023 is \$445.33 per household, or \$251.59 per person.⁴ The Public Policy Institute of California reports that CalFresh kept one million Californians out of poverty in 2021.⁵

CalFresh Emergency Allotments. In March 2020, California received authority from the federal government to provide emergency allotments to CalFresh households due to the public health emergency. The emergency allotments raised each household’s benefit level to the maximum amount allowable based on household size and provided a minimum \$95 supplement to all CalFresh households already receiving the maximum allotment. For example, an individual who qualified for the minimum benefit level of \$23 received \$281 in monthly benefits with their emergency allotment. The average emergency allotment in California was \$166.43 per household in 2022. Congress scheduled these emergency allotments to end in February 2023, with CalFresh households receiving their final emergency allotment on March 26, 2023.

Since March 2020, over \$11 billion in federal emergency allotments have been issued to Californians. The emergency allotments issued to California for the month of February 2023 totaled over \$520 million; from March 2020 to March 2023, California consistently received around \$500 million each month in CalFresh emergency allotments.

³ US Census Bureau Household Pulse Survey.

⁴ Includes average monthly CalFresh benefit plus average monthly federal emergency allotment.

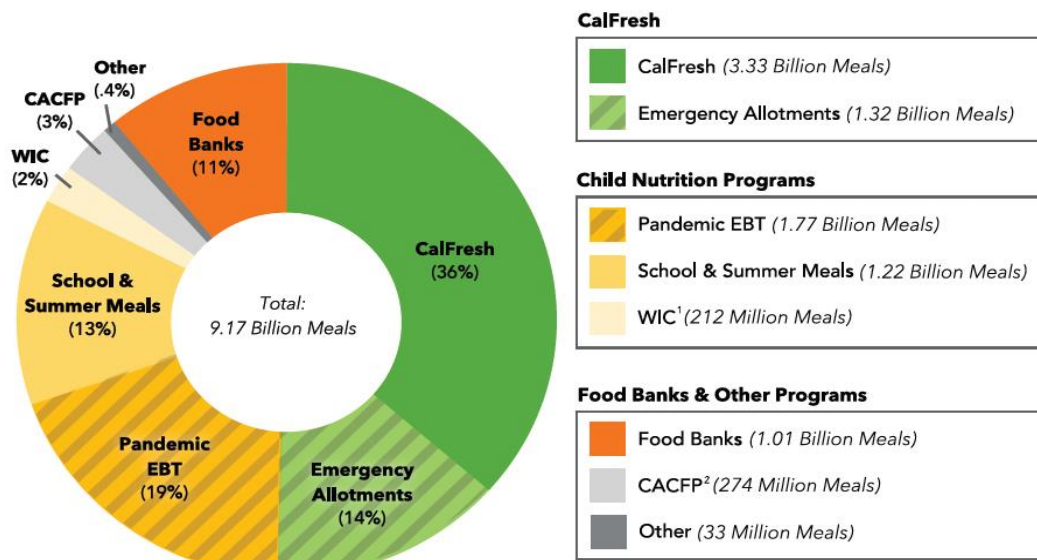
⁵ Caroline Danielson, Patricia Malagon, and Sarah Bohn, “Poverty in California,” *PPIC*, October 2022.

Pandemic EBT (P-EBT). Similar to the emergency allotments, P-EBT is a federal program designed to supplement food assistance for children during the pandemic. P-EBT is administered by CDSS in collaboration with the California Department of Education (CDE). P-EBT benefits are available for families who receive CalFresh and have children who are under six years old, or who have school-age children who are eligible for free- or reduced-price meals at school. P-EBT has provided nearly \$12 billion in food benefits to children statewide. With the passage of the federal Consolidated Appropriations Act of 2023, Congress moved to end the P-EBT program with the emergency allotments. P-EBT will not be available after the current 2022-23 school year. Congress also authorized the creation of a new, more limited Summer EBT program, which will provide \$40 per month per eligible child for food during the summer months when children are out of school, beginning in 2024.

California is facing a hunger cliff. California has received over \$500 million per month in CalFresh emergency allotments for the last three years. Since March 2020, these emergency allotments have been linked to the federal government’s COVID-19 public health emergency declaration; however, Congress moved to end emergency allotments as part of the 2023 Federal Omnibus in December 2022. This means that CalFresh households received their last emergency allotment in March 2023. After CalFresh households receive their last emergency allotment, every CalFresh household’s benefits will drop significantly. On average, CalFresh households will lose \$166.43 per month in benefits. However, Californians who are eligible for the minimum benefit level (\$23 for a household size of one), and have been receiving the maximum benefit level since March 2020, will see their benefits drop by over \$250. These are disproportionately older adult households. CDSS is executing an extensive outreach effort across multiple languages and communication methods to inform CalFresh households of the end to emergency allotments. The chart below, provided by the California Association of Food Banks, represents the loss of federal food support in the context of California’s overall food safety net.

The end of CalFresh Emergency Allotments and Pandemic-EBT will represent a loss of approximately one-third of the food safety net — or more than 3 billion meals.

Food Assistance Sources for Californians, 2021



1. The Special Supplemental Nutrition Program for Women, Infants, and Children
 2. The Child and Adult Care Food Program

Examples from other states that have opted to forgo emergency allotments demonstrate the negative impact this change will have on the state's poorest residents. National research shows that 51 percent of SNAP recipients in states no longer issuing emergency allotments reported running low or being out of most things they needed at home. In Kentucky, for example, food banks saw an estimated 20-30 percent increase in individuals served when SNAP participants lost their emergency allotments.⁶

Rising cost of food. Grocery prices have increased 13.5 percent in the last year.⁷ Rising food prices are likely driving more Californians to seek assistance from food banks. For example, one food bank in Kern County experienced a spike from 35,000 people seeking food in January 2022 to 70,000 in October 2022.⁸ The Food Bank of Contra Costa and Solano reports serving 100,000 more people per month than 2021.⁹ Los Angeles Regional Food Bank served approximately 800,000 people in December 2022, "down from the 1 million people a month who were helped during the peak of the pandemic, but more than double the 300,000 helped during each of the last months of pre-pandemic 2019."¹⁰ Increasing food costs are likely to exacerbate the hunger cliff as emergency allotments end.

CalFood and Food Bank Support. The CalFood program allocates funding to California's network of food banks to purchase food primarily sourced from California. CalFood has historically been funded at \$8 million per year. The 2022 Budget Act included \$112 million General Fund total for the CalFood program in 2022-23. Additional food bank investments include:

- *Food Bank Capacity grants.* The 2021 budget included \$182 million to support food bank capacity, infrastructure, and disaster resiliency. The 2021 budget also included \$110 million to help food banks meet increased demand during the COVID-19 pandemic.
- *Drought Food Assistance Program.* The 2022 budget included \$23 million from the California Emergency Relief Fund to supplement food bank resources in drought-impacted counties.

Governor's Budget. The Governor's budget proposes an additional \$52 million for the CalFood program in 2023-24 for a total of \$60 million, above the program's baseline budget of \$8 million.

Stakeholder Proposals for Investment. Stakeholders have proposed several investments related to CalFresh to address the hunger cliff. Some of these proposals include:

1. **CalFood Expansion.** The California Association of Food Banks (CAFB) proposes to permanently provide \$60 million for the CalFood program, above the usual \$8 million baseline. This is included one-time for 2023-24 in the Governor's proposed budget.

⁶ Jessica Fu, "The US struggle to pay for food: 'No matter how well you budget, you will run out of something,'" *The Guardian*, November 22, 2022.

⁷ Danielle Wiener-Bronner, "Food prices are still soaring—here's what's getting more expensive," *CNN*, September 13, 2022.

⁸ Joshua Yeager, "High costs, demand keep Valley food pantries busy," *KVPR*, November 23, 2022.

⁹ Anser Hassan, "Food Bank of Contra Costa and Solano sees increase of 100k people per month needing food," *ABC 7*, November 11, 2022.

¹⁰ Andrew Mouchard, "Inflation is producing, and hiding, hunger in Southern California," *The Orange County Register*, December 3, 2022.

According to CAFB, “Food insecurity in California remains at nearly double the pre-pandemic levels, with deep inequities for communities of color. This will only be exacerbated when CalFresh Emergency Allotments end after March 26, 2023, and with the ending of the Pandemic-EBT program after the 2022-23 school year...\$60 million ongoing will enable food banks to purchase \$5M per month of food. In other words, that is 300 million meals. In 2021, CAFB members and non-members distributed just over 1 billion meals total. Even with the \$5M per month in CalFood, the need will be far greater than what food banks will be able to provide. Nevertheless, this annual baseline adjustment will allow food banks to meet some of the basic needs for families.”

2. **Food Bank Climate and Capacity Resiliency Funding.** CAFB proposes \$180 million one-time for food bank climate and capacity resilience.

According to CAFB, “In the fall of 2021 and 2022, CAFB surveyed members to assess their needs in light of the COVID-19 crisis, heightened levels of food insecurity with no end in sight, and natural disasters from fires to floods to earthquakes all across our state. The top barriers food banks cited were related to one-time capacity and climate needs that are necessary and currently unmet by prior state investments, totaling well over \$500 million. The extraordinary service during COVID-19 put an enormous strain on emergency food infrastructure, and revealed significant capacity constraints. At the same time, disasters have become the new normal across the state and immigrants, farmworkers, and low-income Californians are facing disproportionate consequences. A \$180 million one-time investment in the 2023-24 Budget is critical to meet these gaps, build the long-term ability of the state’s emergency food network to meet communities’ need for food, and to be resilient in a changing climate, ensuring food is available when communities need it most.”

3. **CalFresh \$50 Minimum.** Hunger Action LA, CAFB, Nourish California, and GRACE/End Child Poverty propose \$95 million ongoing to increase the minimum monthly CalFresh benefit from \$23 to \$50.

These stakeholders state, “Due to the end of the federal emergency allotments last month, many households, such as older adults living alone and working families, have seen their benefits slashed from \$281 to the federally set minimum allotment of \$23 per household. The Thrifty Food Plan (TFP) set by the United States Department of Agriculture (USDA), determines the minimum allotment of SNAP benefits. In 2021, The Thrifty Food Plan was adjusted for the first time in over 45 years. However, the high cost of living in states like California are not considered when determining the TFP. CalFresh recipients are still experiencing the impacts of the Covid-19 pandemic, on top of inflation, job loss, and income instability. This proposal seeks to respond to the looming hunger cliff due to the end of the federal emergency allotments.”

4. **CalFresh Fruit and Vegetable Supplemental Benefits Expansion.** SPUR and Nourish California propose \$93.75 million one-time to expand the CalFresh Fruit and Vegetable EBT Pilot program.

According to SPUR and Nourish California, “As more than five million CalFresh participants are facing a hunger cliff – due to both high food inflation and a drop in their benefits because of the end of federal “emergency allotments” – California families are struggling with far too much hunger and inadequate and inequitable access to food. Meanwhile, California farmers are struggling with stiff economic headwinds.

Fruit and vegetable supplemental benefit programs, which provide families with low incomes matching dollars when they buy fresh fruits and vegetables, make healthy food more affordable while also supporting California farmers. Numerous organizations have piloted these initiatives, also commonly known as healthy food incentive programs, at grocery stores and farmers' markets in California. Evaluations from those programs in California – including Double Up Food Bucks, Más Fresco, and Market Match -- and others nationally, show that they reduce hunger, improve health, and boost the agricultural economy.” This proposal would expand the programs reach so that 30 counties have at least one retailer offers supplemental benefits. The current pilot includes four grocery chains and nearly 90 stores.

This summary does not include the full list of stakeholder proposals for investment related to CalFresh and nutrition programs. A complete list of stakeholder proposals for investment is included in Issue 20 of this agenda.

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

Staff notes that the loss of emergency allotments and P-EBT represents a drastic cut in the amount of federal food support available to low-income Californians. As noted in the Governor's budget, federal food benefits to Californians are estimated at \$19.1 billion in 2022-23 and \$8.9 billion in 2023-24—an over 50 percent drop. It is clear that this federal cut will lead to more hunger among the poorest and most vulnerable Californians who are already burdened by poverty, food insecurity, and food insufficiency.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide an overview of the federal food assistance provided to the state over the last three years, including SNAP emergency allotments and P-EBT. How have these programs helped to alleviate hunger and poverty during the uncertainty of the pandemic?
2. What is the impact of the loss of federal emergency allotments and P-EBT on CalFresh households? Who will be most affected? What trends does the department expect to see as a result of these programs ending, in terms of hunger levels, food bank demand, and CalFresh participation?
3. What can the state do to mitigate this hunger cliff?
4. When Congress ended P-EBT, it created a Summer EBT program to add a supplement to families' CalFresh benefits during the summer months when children are out of school. Has the department looked into establishing a Summer EBT program to be operational in Summer 2024?

Issue 3: Electronic Benefits Transfer (EBT) Security

In addition to CDSS, Department of Finance (DOF), and the LAO, the Subcommittee requests the following individuals to participate in a panel discussion on protecting Californians from rising levels of EBT theft:

- Rick Wanne, Director of Self-Sufficiency, County of San Diego Health and Human Services Agency
- Lena Silver, Associate Director of Litigation and Policy Advocacy, Neighborhood Legal Services of Los Angeles County

Rising levels of EBT Theft. Since October 2021, California has seen a significant increase in EBT theft. CDSS has implemented a variety of theft mitigation strategies and is actively collaborating with federal, state, and local law enforcement on the investigation of criminal activity related to EBT theft. One of the key causes of this theft is that EBT cards have outdated technology and are not chip-enabled, making CalFresh, CalWORKs, and CAPI recipients vulnerable to skimming theft. According to CDSS, cash benefit theft has increased from less than one percent of total cash benefits distributed in 2019-20 to a projected 1.7 percent in 2022-23.

Since November 2021, statewide monthly reimbursements for skimming theft have been above \$1 million. Skimming theft reimbursements totaled \$8.5 million in the month of January 2023. The data provided by CDSS captures skimming cases in which cardholders requested reimbursement for stolen benefits; actual numbers of total theft could be higher if some cardholders do not request reimbursement. Monthly averages indicate that CalWORKs/cash theft represents about 80 percent of total theft and SNAP/food theft represents about 20 percent of total theft.

Rising EBT theft is a national problem. Recent news stories have highlighted CalWORKs recipients having all of their benefits stolen several times, even after replacing their cards, and experiencing long wait times to get their stolen benefits replaced, beyond the 10-day period in which counties are required to replenish benefits.¹¹ As detailed in a recent LA Times article, some fraud victims waited over a month and a half to get their benefits replaced.¹² This article describes one fraud victim's experience: "last month, after the fifth theft, the state sent her a letter warning it might refer her for investigation of possible 'EBT Card Trafficking.' Depending on what an investigation found, the note warned, she could be fined, jailed or have her benefits canceled."¹³

EBT Security – Governor's Budget. The Governor's Budget includes \$50 million (\$22.4 million General Fund) to modernize EBT cards to include Chip/Tap technologies to improve card security and reduce benefit theft. CDSS states that implementation will take 30 months with a total estimated cost of \$76.5 million (\$34.3 million TANF/General Fund) over three years. The budget also includes funding for the reimbursement of cash and food benefit theft.

¹¹ Jeanne Kuang, "Thieves drain millions off CalFresh and CalWORKs recipients' cards, families wait and taxpayers pay," CalMatters, January 30, 2023.

¹² Rebecca Ellis, "Brazen food stamp scammers steal millions from L.A.'s poorest," LA Times, February 8, 2023.

¹³ Rebecca Ellis.

There are several components to conducting EBT card replacement on a massive scale, which involves not only issuing millions of chip-enabled cards, but also updating firmware at purchase of service (POS) devices across stores, replacing specialized POS devices used at farmer's markets, replacing card printing devices at county offices, and other steps in coordination with the state's EBT vendor, before a testing period and then card deployment in 2024.

CDSS has taken a number of steps in the short-term to address theft and improve the benefits replacement process. In January 2023, CDSS removed two procedural requirements for EBT cardholders to be eligible for benefit theft reimbursement: that cardholders file a misdispense claim with the EBT vendor, and file a police report.

The 2022 Budget Act included \$680,000 (\$221,000 General Fund) and four positions to monitor, investigate, and support criminal prosecution of EBT theft. Over 2022, CDSS also completed the roll-out of CVV cards, which have resulted in a significant decrease in scamming, but do not protect cards from being skimmed and cloned, which is the pervasive method of theft occurring currently.

Federal SNAP Reimbursement. Under the Consolidated Appropriations Act of 2023, federal reimbursements for SNAP theft are mandated in federal fiscal year 2023-2024. CDSS anticipates capacity to begin drawing down USDA/FNS funds beginning November 2023 while continuing 100 percent General Fund reimbursements in the interim. USDA/FNS may issue a retroactive reimbursement to the State for costs incurred beginning October 2022, but policy is not final.

Staff Comment and Recommendation. Hold Open.

Staff notes that while EBT theft is affecting Californians across all programs that use EBT cards, most of this theft is happening to CalWORKs families, who are already living in deep poverty. The Legislature may wish to ask the department if the department can prioritize CalWORKs participants in this roll-out to stem the tide of theft where it is most concentrated and perhaps most devastating.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide an overview of this proposal, including a description of the key components of the \$76.5 million in total costs for this project. Can the department prioritize certain programs, like CalWORKs?
2. Please describe how EBT theft is impacting CalFresh, CalWORKs, and CAPI households. How many households have had their benefits stolen? Please describe the department's continued efforts to address EBT theft and streamline benefits replacement.
3. Recent federal changes allow for federal reimbursement of stolen SNAP benefits. How will those changes affect this proposal, including the cost to the state of reimbursing stolen CalFresh benefits?

The Subcommittee requests Rick Wanne, County of San Diego Health and Human Services Agency, and Lena Silver, Neighborhood Legal Services of Los Angeles County to each respond to the following:

1. Please describe how rapidly increasing levels of EBT theft have affected clients you serve. How does this theft affect participants in CalWORKs, CalFresh, and CAPI programs? What is the magnitude of this theft? Who is most affected?
2. What problems have arisen with the benefits replacement process? How have recent changes from CDSS impacted the benefits replacement process for clients, and what more could CDSS and counties be doing to further streamline benefits replacement?
3. Please share any feedback or recommendations on how the state should implement the EBT card security enhancements and any additional measures the state and counties should take in the meantime to address EBT theft.

Issue 4: California Food Assistance Program Expansion

In addition to CDSS, DOF, and the LAO, the Subcommittee has requested the following individual to participate in this discussion:

- Benyamin Chao, Health and Public Benefits Manager, California Immigrant Policy Center, Food for All Coalition

Budget Change Proposal – Governor’s Budget. CDSS requests \$3.3 million and 18 permanent positions to provide state-level administration for the expansion of the California Food Assistance Program (CFAP).

California Food Assistance Program (CFAP). CFAP provides food benefits to approximately 35,000 legal permanent residents who meet CalFresh eligibility criteria but are excluded from SNAP due to federal welfare reform enacted in 1996. Other immigrants, including undocumented immigrants, are not eligible for CFAP benefits. CFAP is funded 100 percent General Fund and benefits are delivered through an Electronic Benefits Transfer (EBT) card identical to CalFresh. The average monthly CFAP benefit in 2022-23 is \$491.27 per household or \$217.76 per person.

CFAP Expansion. The 2021 Budget Act included \$5 million General Fund to begin automation changes necessary to expand CFAP regardless of immigration status, and expressed legislative intent to begin an age-based implementation of the CFAP expansion upon the completion of the needed automation changes. The 2022 Budget Act included \$35.2 million General Fund, increasing to \$113.4 million annually in 2025-26, to expand CFAP to Californians age 55 and older regardless of immigration status. CDSS estimates that 75,000 individuals will be eligible for CFAP when the expansion is implemented.

Delay of CFAP Expansion. The Governor’s January budget projects a two-year delay in the expansion of CFAP to all Californians age 55 and over regardless of immigration status. According to CDSS, automation is estimated to begin in July 2024 instead of late 2022-23, and benefits will start on January 1, 2027, as opposed to January 1, 2025.

According to CDSS, the adjustment in the timeline will allow for any additional considerations related to implementation, operations, and policy development (such as new forms, aid/benefit codes, and required reports). While there is not a delay in the overall CalSAWS system migration project, these considerations in totality have a bearing on planning, when the programming can begin, and the overall timeline for the CFAP expansion and benefits issuance. Providing additional nutrition through CalFresh/CFAP expansion to all low-income older adults, regardless of status, remains an Administration priority.

CDSS states that the proposed timeline adjustment reflects a preliminary and cautious approach around these considerations to anticipate unknowns and prepare for better implementation. CDSS is committed to working together with CWDA, counties, CalSAWS, the Legislature, as well as stakeholders representing immigrant, older adult, and nutrition communities, to help inform May Revision updates as more information becomes available and if conversations yield a different feasible timeline.

The 2021 Budget Act authorized the CDSS to transfer \$999,000 from Local Assistance to State Operations to fund 26 Family Empowerment and Engagement Division (FEED) staff resources and begin the CFAP Expansion hiring ramp-up. Funding for these resources is limited term and set to expire on June 30, 2026, while the workload will be ongoing. CDSS states that implementation of the CFAP expansion will require

a significant administrative effort to coordinate with existing and new partners, and the proposed resources for this expansion will be instrumental in managing this work.

Background. Presently, the administration of CalFresh and CFAP are inextricably linked. As a result of 1996 federal welfare reform, legal permanent residents were rendered ineligible for federally funded food assistance until they had resided in the country for five years. The federal government gave states the option to provide state-funded food assistance to populations affected by the 1996 policy change (such as legal permanent residents who arrived less than five years ago). In response, California established CFAP, which provides benefits through the same EBT and SAWS systems as CalFresh. Because CFAP operates through the EBT system, the federal government is directly responsible for depositing funds into the accounts of participating households, and the state reimburses the federal government for these costs. In addition, the federal government charges California for all associated administrative costs.

CDSS states that to remove immigration eligibility conditions for CFAP, a new state-funded nutrition assistance program must be developed. The new state-funded program will maintain the CFAP name, but it must be disconnected from CalFresh. This will result in significant changes to the operational structure of CFAP and removing the use of advanced federal dollars to issue CFAP benefits. The CFAP expansion will require California to instead use state dollars upfront to issue CFAP benefits.

Staffing and Resource Request. According to CDSS, The requested resources will lead the development of CFAP expansion policies, procedures, regulations, guidance to County Welfare Departments (CWDs), and All-County Letters related to the expansion of the CFAP program. The staff will support local implementation, launch an outreach campaign, provide policy instruction and technical assistance to counties, and monitor program performance. The policies must seamlessly interact with existing, complex CalFresh eligibility policy and benefit determination structure. The requested resources include:

- Family Engagement and Empowerment Division (FEED): One (1.0) Staff Services Manager III (SSM III); one (1.0) SSM II; three (3.0) SSM I; nine (9.0) Associate Governmental Program Analyst/Staff Services Analyst (AGPA/SSA)
- Information Services Division (ISD): One (1.0) Information Technology Specialist II (ITS II)
- State Hearings Division (SHD): One (1.0) Administrative Law Judge I (ALJ I)
- Research, Automation, and Data Division (RADD): One (1.0) Research Data Specialist I (RDS I)
- Finance and Accounting Division (FAD): One (1.0) Associate Accounting Analyst

CDSS states that the requested Research Data Specialist I (RDS I) in the Research, Automation, and Data Division (RADD) will engage with counties, the Statewide Automated Welfare System (SAWS), and stakeholders in automation design and implementation. More specifically, the SAWS will need to create a new program within the state eligibility system to better capture the CFAP participants. In addition, the RADD resource will determine data collection and reporting requirements, analyze and validate the data, and provide technical assistance to counties. As policy, procedures, and automation roll out, the FEED resources will develop a training curriculum to support CFAP expansion implementation at the local level. Training curriculum will include eligibility policy, as well as ancillary functions such as reporting and accounting.

The requested FEED resources will design and implement a statewide CFAP expansion outreach campaign, which will launch ahead of initial implementation of the CFAP expansion and will focus on getting the word out to the hardest-to-reach CFAP expansion-eligible populations. The outreach campaign

will be developed in partnership with immigrant-serving Community Based Organizations statewide and will involve significant stakeholder engagement through development and roll out.

CDSS also requests administrative support staff within various divisions across the Department for the planning and ongoing oversight of the CFAP expansion. The CFAP expansion will contribute to an increased caseload of state hearings requests, which requires adequate State Hearings Division resources to address hearings in a timely manner, avoid backlog, and reduce further risk of litigation. Information Services Division resources are needed to provide updated public facing CFAP expansion updates and materials via the CDSS webpage. ISD resources are also needed to directly support FEED staffing resources on all IT-related issues such as technical network, software, hardware, or applications. Accounting resources are needed to assist with opening and monitoring the new bank account.

Stakeholder Proposal for Investment: Food for All. The Food for All Coalition, led by California Immigrant Policy Center and Nourish California, propose \$358 million in 2023-24 and \$715.5 million ongoing to expand access to CFAP for all Californians regardless of immigration status.

According to this coalition, “Research shows that access to food assistance like CalFresh improves overall health outcomes for individuals with low income and lowers health care costs over the long term. Unfortunately, Californian immigrants experience high levels of food insecurity as a result of racial and economic disparities and xenophobic exclusions within our state’s safety net programs. Currently, 45 percent of undocumented Californians and 64 percent of undocumented children are affected by food insecurity, according to a CHIS survey with the UCLA Center for Health Policy Research.... Even though the 2022-23 State Budget expanded access to CFAP for California immigrants ages 55 and older, Californian immigrants ages 54 and younger remain excluded from critical food benefits. This budget request will remove immigrant exclusion from CFAP for California immigrants of all ages to ensure no Californian goes hungry.”

The Subcommittee requests Benjamin Chao with the California Immigrant Policy Center present the stakeholder proposal.

Staff Comment and Recommendation. Hold Open.

Staff notes that since the 2021 Budget Act, the Legislature has made funding available for the automation changes necessary to expand CFAP. With the delayed timeline to January 1, 2027 included in the Governor’s budget, over five years will have passed from the time of this initial appropriation until currently excluded immigrant communities are able to access food assistance. Many stakeholders, led by the Food for All Coalition, have expressed frustration regarding this delay and urged the Legislature to invest in CFAP for all ages, beginning with the 2023-24 budget, and include a timely implementation date for the expansion of CFAP to those age 55 and older.

Staff also notes that an additional factor that appears to have a bearing on the planning and implementation timeline is the need to de-link the administration of CalFresh and CFAP. The resources included in the BCP should address the workload associated with that development.

Lastly, staff notes that when CDSS implements the CFAP expansion to adults age 55 and over, now projected to not occur until 2027, California will be one step closer to an inclusive safety net that serves

low-income Californians regardless of immigration status. However, undocumented immigrants under age 55, who face high rates of poverty, will still lack access to the state's most effective anti-hunger program. Beginning with adults age 55 and over was intended to initiate a targeted age-based expansion of the program to eventually reach all Californians who are currently excluded from food assistance solely due to immigration status. Given the unforeseen delays in implementing the first phase of this expansion, the Legislature may wish to consider expanding to CFAP to all ages at the earliest time implementation can practically occur.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide a brief overview of this proposal.
2. Please share the department's rationale for the two-year delay of the CFAP expansion to January 1, 2027. What is the department's plan to implement the CFAP expansion? Will the requested resources and 18 positions included in this proposal help shorten the timeline for the CFAP Expansion?

Issue 5: CalFresh for College Students Act

Budget Change Proposal – Governor’s Budget. CDSS requests one full-time, limited term Staff Services Analyst/Associate Governmental Program Analyst (SSA/AGPA) to continue implementation of SB 641 (Skinner, Chapter 874, Statutes of 2022), at a cost of \$174,000 first year, and \$170,000 in 2023-24. CDSS must submit information on steps to increase CalFresh student participation and the estimated costs associated with implementing those respective steps.

SB 641 (Skinner, Chapter 874, Statutes of 2022). SB 641 requires CDSS to do the following:

- Post on its internet website the list of state- or locally-funded programs that satisfy the federal student work rule and instructions for county human services agencies that maximize CalFresh eligibility and minimize the burden for applicants and recipients to verify exemptions to the CalFresh student eligibility rule for students. The instructions provided are required to include specific guidance for processing applications, reporting, and recertification for students who may meet the student work rule or qualify for an exemption of that rule. The requirements to post instructions related to student processing may be met through the Student Handbook; according to CDSS, a second iteration of the Student Handbook is forthcoming.
- Convene a work group comprised of the University of California, the California State University, the California Community Colleges, the Student Aid Commission, representatives from student organizations from all three sectors of public postsecondary educational institutions, the County Welfare Directors Association of California, and representatives from CalFresh eligibility workers and CalFresh advocates. Workgroup objectives include the identification of application processes providing capacity for increased submissions in counties with postsecondary institutions of 10,000 students or more.
- On or before April 1, 2023, submit a report to the Legislature on the necessary steps to increase student participation in CalFresh and any estimates of costs associated with implementing them.

SB 641 CalFresh for College Students Report. Per SB 641, CDSS convened a workgroup to identify the steps necessary to establish a CalFresh student application submission process. The goal was to identify recommendations that accommodate the large influx of CalFresh applications during the beginning of a school term in counties where large public postsecondary educational institutions with 10,000 students or more are located. The recommendations of the workgroup, which do not necessarily reflect the opinions of CDSS or the Administration, are included below:

- Conduct a landscape analysis to identify county best practices for handling influxes of student applications.
- Create a student eligibility decision tree.
- Develop and deliver a statewide training on student eligibility.
- Establish a partnership between college institutions and counties.
- Increase CalFresh administration funding.
- Change student eligibility at the federal level.
- Make the current temporary CalFresh student eligibility rules permanent.

- Improve the California Statewide Automated Welfare System (CalSAWS) functionality for student eligibility.

Temporary Student Eligibility. In 2021, the federal government temporarily expanded college student eligibility for CalFresh to include students eligible for work study and students with an Expected Family Contribution of zero dollars for financial aid. The 2021 Budget Act included \$8.2 million to fund county administration of this expansion. The 2022 Budget Act included \$13.6 million (\$6.8 million General Fund) for counties to designate a single point of contact for California Community Colleges, California State Universities, and University of California schools to connect students to human services programs pursuant to AB 1326 (Arambula), Chapter 570, Statutes of 2021. The 2022 Budget Act additionally requires CDSS to publish student-specific data on the CalFresh Data Dashboard.

Staffing and Resource Request. According to CDSS, resources are needed to support the requirements of SB 641, and this workload cannot be absorbed with current staffing capacity. While the report required under SB 641 was submitted in March 2023, CDSS has ongoing workload associated with updating websites and dashboards, monitoring locally funded programs, and providing technical assistance to the counties and higher education county liaisons to increase CalFresh participation among college students. Costs associated with this position are 50 percent federally funded; the other 50 percent would be funded with General Fund.

Staff Recommendation. Hold Open.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide a brief overview of this proposal.
2. Please summarize the findings and recommendations of the SB 641 report. What ongoing work will CDSS be conducting to increase access to CalFresh for college students?

Issue 6: CalFresh Employment and Training Increased Engagement and Technical Assistance

Budget Change Proposal – Governor’s Budget. CDSS requests eight federally funded positions totaling \$1.4 million to sustain the department’s oversight of the CalFresh Employment and Training (CalFresh E&T) program and expand program access in compliance with federal law.

Background. The CalFresh E&T program is mandated by federal law and overseen by the United States Department of Agriculture, Food and Nutrition Service (FNS), which requires states to establish E&T programs for persons in receipt of CalFresh benefits. The purpose of the CalFresh E&T program is to increase the employment and earning capacity of CalFresh recipients by providing participants with the support needed to obtain skills and credentialing. CalFresh E&T provides participants with case management services and access to basic education, work experience, training, and job search assistance, as well as supportive services to assist with expenses related to finding and retaining work.

CDSS is responsible for state oversight of CalFresh and E&T services, which are administered locally through County Welfare Departments (CWDs). CDSS provides oversight, technical assistance, and general program support to the CWDs, tribal organizations and state partners implementing an E&T program. The CalFresh E&T program currently operates in 36 counties with continued expansion anticipated in Federal Fiscal Year 2023 due to the increased need for employment services to support ABAWDs subject to work requirements. CDSS provides training and support to state contracted third-party partners. CalFresh E&T currently partners with the Foundation for California Community Colleges as an intermediary focusing on education services in 17 counties. CDSS also partners with the Center for Employment Opportunities, a nationally recognized provider of employment and training services to the formerly incarcerated.

Federal ABAWD rule. Since the 1996 federal welfare reform, someone receiving SNAP (CalFresh in California) who is determined to be an “Able-Bodied Adult Without Dependents,” or ABAWD, is only allowed three months of CalFresh within a 36-month period unless they meet an exemption. California currently has a statewide ABAWD waiver in place, which is set to expire on October 31, 2024. Research shows that there is an over 50 percent overall reduction in program participation when people are subject to work requirements, which disproportionately impact disadvantaged communities who face discrimination and barriers to employment.

2018 Farm Bill. On December 20, 2018, Congress signed the Agriculture Improvement Act of 2018 Public Law 115-334, also known as the 2018 Farm Bill, codifying new regulations that directly impact CalFresh E&T. On January 4, 2021 the FNS published the Final Rule, Employment & Training Opportunities in SNAP. The provisions required the CalFresh Policy and Employment Bureau to release guidance, secure funds for automation, and begin implementation by October 1, 2021, including:

- Coordination with Local Workforce Development Boards (LWDBs)
- Establishment of allowable Work Experience component activities, including subsidized wages
- Procedures for E&T Provider Determinations & Re-Referral of Individuals
- Consolidated notice and oral explanation of CalFresh work rules
- Able Bodied Adults Without Dependents (ABAWD) time limit policy
- 2014 Farm Bill E&T Pilots

- New ABAWD Noticing Requirements

Staffing and Resource Request. CDSS notes that the expansion of CalFresh E&T is a priority. CDSS plans to expand the reach of this program by contracting with additional state partners through procurement to meet the employment and training needs of vulnerable populations through available federal funding. The following federally funded positions are included in this request:

- *Technical Assistance Unit:* One (1.0) Staff Services Manager (SSM) I and four (4) Associate Governmental Program Analyst/Staff Services Analyst (AGPA/SSA). The technical assistance unit will enable the CalFresh E&T Section to manage the increased workload, adhere to FNS's expressed intent to maximize E&T as a tool to help foster independence, and will allow the Department to establish stronger regional relationships to cooperatively and proactively address potential problems and align CalFresh E&T programs with workforce development efforts.
- *Staff Services Manager I Specialist (SSMI).* According to CDSS, existing staff are increasingly shouldering new state projects needed for effective expansion with employment outcomes, such as the Foundation for Community Colleges and CEO contract, Cell-Ed contract, Workers Compensation coverage for E&T participants, the Workforce Innovation and Opportunity Act (WIOA) partnership agreement totaling \$24 million and new federal grant applications, without adequate staffing resources. The recruitment, contract monitoring, and strategic engagement necessary for this effort constitute a dedicated program manager to increase CalFresh E&T participation and prepare for the end of the federal ABAWD waiver, which jeopardizes access to food support.
- *Research Data Analyst (RDA I/II).* The FNS has increased scrutiny and analysis of CalFresh E&T participant data which states are mandated to provide under federal reporting requirements. The program data is complex, uniquely tracked, gathered, and submitted to CDSS, requiring significant communication between counties, providers, the Department's Research, Automation, and Data Division, and USDA FNS. The RDA I/II will allow CDSS to closely oversee the data and target review of collection practices and program services operating at the local level.
- *Associate Governmental Program Analyst (AGPA)/Staff Services Analyst (SSA).* According to CDSS, the AGPA/SSA in the Management Evaluation unit, under the CalFresh E&T Section, within the CalFresh Policy and Employment Bureau, will mitigate the likelihood of non-compliant programs operating across the state. The FNS requires the CDSS to conduct Management Evaluations (MEs) annually. Federal Management Evaluations have produced findings for non-compliance which will continue to put federal funding at risk. This proposed structure, with dedicated staff for program expansion and state partnerships, technical assistance, data management and reporting, and compliance with new federal requirements, will allow the Department to meet federal oversight responsibilities.

This proposal will be entirely funded by the SNAP E&T federal allocation and will not impact the State's General Fund.

Stakeholder proposal for investment: CalFresh ABAWD CARE benefits. The California Association of Food Banks (CAFB) proposes \$3 million to create CalFresh ABAWD CARE benefits. CAFB notes that adults between the ages of 18 and 49 years old who are not living with a child, referred to as ABWDS, are limited to receiving federal food benefits for just three months each 36-month period unless they satisfy the 20 hours per week work requirement. “These time limits are largely understood to undermine health and have no evidence of increasing employment... While cutting off someone’s food assistance is sure to increase hunger, it does nothing to improve that person’s ability to find and maintain steady employment. In fact, losing eligibility for CalFresh severs the connection to CalFresh Employment and Training Programs, which can help people gain skills and resources to support their job search. Research shows that people who can work are already working, and that SNAP is often a short-term support for people who experience periods of joblessness.” The \$3 million investment would allow California to set up the technology infrastructure needed to stand up CARE benefits to remove the 3-month time limit if California loses its statewide ABAWD waiver in 2024.

Staff Recommendation. Hold Open.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide a brief overview of this proposal.

The Subcommittee requests Becky Silva with the California Association of Food Bank present the stakeholder proposal.

Issue 7: CalFresh Federally Mandated Workloads

Budget Change Proposal – Governor’s Budget. CDSS requests five (5) permanent positions and \$883,000 in 2023-24 and \$859,000 ongoing to oversee the operations of county management evaluations and quality control, meet new federally mandated reporting requirements, and implement critical policy changes to CalFresh program administration.

CalFresh Operations Bureau. In recent years, the number of individuals enrolled in CalFresh has more than doubled. This has led to an increase in workload to comply with federally mandated quality control (QC) case reviews and management evaluations (MEs). In the past five years, the CalFresh Operations Bureau has requested and been granted seven (7.0) additional analyst positions in an attempt to meet new demands, resulting from an approximately 32 percent increase in QC reviews, and an approximately 27 percent increase in County Management Evaluations (MEs) over the last several years.

CalFresh and Nutrition Programs Bureau. CalFresh Healthy Living (CFHL) is 100 percent funded by the United States Department of Agriculture, Food and Nutrition Services (USDA, FNS), and is known federally as the Supplemental Nutrition Assistance Program-Education (SNAP-ED). The CFHL program provides nutrition education to people who earn less than 185 percent of the federal poverty level to help them maximize their CalFresh benefit and live healthier lives. Historically, the CDSS has served as a pass-through agency to funnel funding to State Implementers to provide services. As the Department’s role expanded over the years, the need for state resources has grown in order to meet federal requirements and to administer CFHL. The CDSS is responsible for providing administrative oversight directly to four State Implementing Agencies: the California Department of Public Health, the California Department of Aging, CalFresh Healthy Living-UC Davis, and Catholic Charities of California. CDSS oversees a network of over 140 local implementing agencies across California, including 57 counties and 3 city jurisdictions. California is the largest SNAP-Ed-funded state in the nation with over \$100 million in federal grant awarded funds.

Beginning in 2023, per USDA guidance, California must begin submitting annual work plan data via the new federal SNAP-Ed Annual Plan Online System. This requires statewide coordination and guidance from the CDSS to all SNAP-Ed implementers across California. Additionally, the CFHL must actively engage in tribal consultation with tribal leadership regarding the SNAP-Ed Plan of Operation as required by SNAP regulations. According to CDSS, the CFHL must increase staffing levels to address the continuous and ever-increasing workload issues that the Nutrition Education Section has been faced with over the last several years.

CalFresh Policy and Employment Bureau. The scope of the CalFresh Policy Sections has expanded considerably over recent years, with the CDSS taking on increasing responsibility due to policy changes at the state and federal levels, including the 2018 Farm Bill, and several pieces of state legislation. According to the CalFresh Data Dashboard, in 2019 there was an average of 1,887,517 CalFresh households statewide. By 2021, there was an average of 2,481,627 households statewide, which reflects a 27 percent increase over the course of two years. The Policy Sections have had to absorb increased workload, which has resulted in delays in other critical policy work including ongoing Farm Bill efforts and preparing counties for the impending return of the ABAWD time limit.

Staffing and Resource Request. This proposal includes the following positions:

- *CalFresh Operations Bureau.* Two (2) Staff Services Manager (SSM) I will provide support to achieve FNS requirements. Both managers will onboard, train, and support their staff, conduct supervisory reviews of staff work, participate in various workgroups and Department-wide projects, respond to county inquiries, compile and communicate data trends to counties, review policy materials for operational impact, facilitate county meetings and webinars, develop corrective action plans, respond to FNS inquiries, monitor and maintain access to various systems, and various other tasks and responsibilities. According to CDSS, current managers are regularly working significant and unsustainable overtime to meet the needs of counties, staff, and internal and external stakeholders, and the department is at risk of losing talented individuals who are trained and have high levels of institutional knowledge. CDSS also notes that without rightsizing this staffing, there is a significant risk to the state's error rate, which is currently above the national average, which could incur future fiscal penalties from FNS.
- *CalFresh and Nutrition Programs Bureau.* Two (2) Associate Governmental Program Analysts (AGPAs) will allow the CalFresh Healthy Living program to address increasing workload issues. Both AGPAs will provide oversight of incoming funds, expenditures, projections, purchases, allocations and all budget related documents and proposals for their assigned projects and contracts. These individuals will take on additional support needed for policy implementation, provide technical assistance, and program guidance to SNAP-Ed Implementers, Partners, and Contractors to ensure efficient and effective program operations while meeting SNAP-Ed requirements and expectations. The first AGPA will take on a project lead role for tribal consultation and engagement and the expansion of future tribal SNAP-Ed implementer. The second AGPA will be responsible for overseeing and providing support for evaluation and research work and activities as well as assisting in needs assessment and data reports of program outcomes, including the tracking, logging, and reviewing of relevant research data and projects.
- *CalFresh Policy and Employment Bureau.* One (1) AGPA will support the ABAWD policy unit in the variety of complex activities associated with CalFresh policy development, implementation, and interpretation. CDSS will increase its ability to support CWDs in CalFresh service delivery as well as maintain compliance with new and changing priorities at the state and federal levels.

Of the \$883,000 total funds included in the first year of this proposal, \$617,000 is federal funds and \$266,000 is General Fund.

Staff Recommendation. Hold Open.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide a brief overview of this proposal.

5180 DEPARTMENT OF SOCIAL SERVICES – CALWORKS

Issue 8: CalWORKs Overview

Governor’s Budget. The Governor’s budget proposes \$7.3 billion in total funding for the CalWORKs program in 2022-23, a net increase of \$108 million (one percent) relative to the most recent estimate of current-year spending. This increase is the net effect of higher underlying costs due to growing caseload partially offset by the expiration of a one-time augmentation to the Housing Support Program and a proposed decrease in county administrative funding. The Governor’s budget estimates a 2.9 percent increase to CalWORKs grants. The chart below summarizes the CalWORKs budget:

CalWORKs Budget Summary

All Funds (Dollars in Millions)

	2022-23 Revised	2023-24 Proposed	Change From 2022-23	
			Amount	Percent
Number of CalWORKs cases	347,868	360,307	12,439	4%
Cash grants^a	\$4,050	\$4,358	\$308	8%
Single Allocation				
Employment services	\$1,268	\$1,301	\$34	3%
Cal-Learn case management	12	12	—	3
Eligibility determination and administration	626	578	-47	-8
Subtotals	(\$1,905)	(\$1,892)	(\$13)	(-1%)
Stage 1 child care	\$518	\$524	\$6	1%
Other allocations				
Home Visiting Program	\$103	\$100	-\$3	-3%
Housing Support Program	285	95	-190	-67
Other	316	320	4	1
Subtotals	(\$704)	(\$515)	(\$190)	(-27%)
Other^b	\$28	\$24	-\$4	-13%
Totals	\$7,206	\$7,314	\$108	1%

^aDoes not include the cost of an estimated 2.9 percent grant increase funded by certain realignment revenues, which the Governor’s budget projects beginning in October 2023. We roughly estimate this would increase cash grants by about \$95 million in 2023-24.

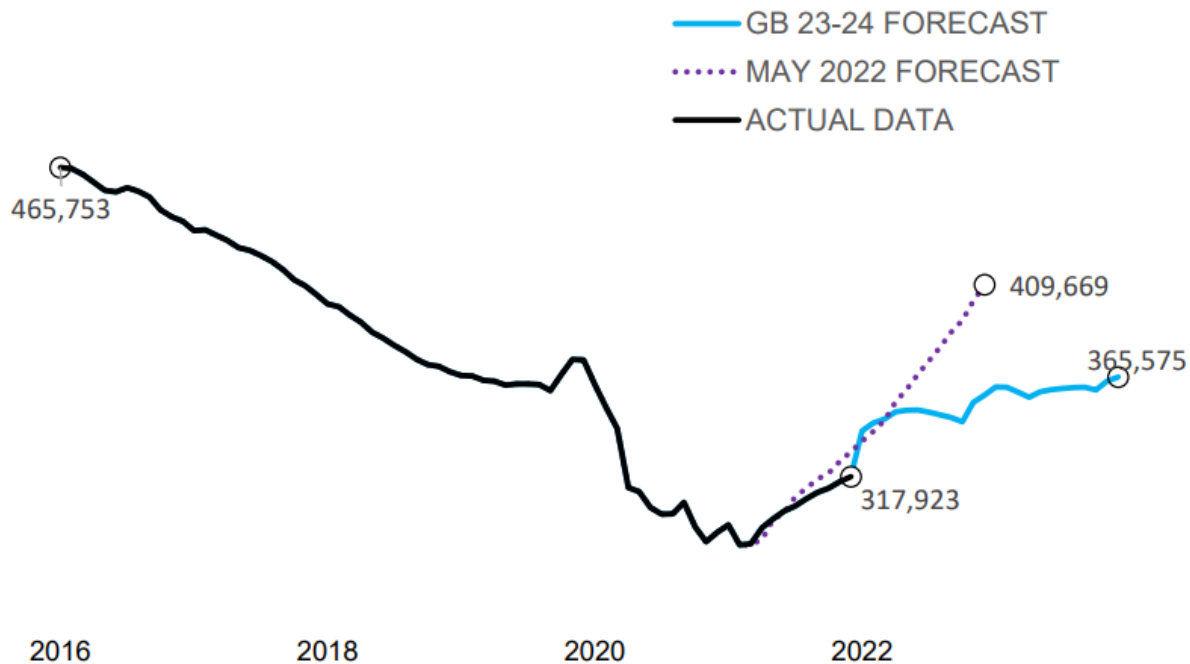
^bPrimarily includes various state-level contracts.

Source: Legislative Analyst’s Office.

Funding for 2023-24 includes \$6.7 billion for CalWORKs programs, as the CalWORKs Employment Services caseload is projected to continue increasing as well as an increase of employment services case management for intensive cases, resulting in a net increase of \$260.3 million from the Budget Act of 2022. The Governor’s Budget maintains the transfer of Temporary Assistance for Needy Families (TANF) funding to the California Student Aid Commission at \$400.0 million and continues to utilize \$18.4 million in TANF at California Community Colleges and California Department of Education for educational and work activities for CalWORKs clients.

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 job services, known as welfare-to-work, to eligible low-income families with children. CalWORKs is funded through a combination of the federal TANF block grant, the state General Fund, other various funding allocations from the state, realignment funds, and other county funds. The program is administered locally by counties and overseen by CDSS.

CalWORKs Total CASELOAD TREND ANALYSIS



Source: CDSS

CalWORKs caseload. The Governor’s budget projects CalWORKs caseload to be 360,307 in 2023-24, and 347,868 in 2022-23. This is lower than the most recent projections from the 2022 May Revision, which projected 2022-23 CalWORKs caseload at 370,311. Though increasing, the CalWORKs caseload

is expected to be 6.1 percent lower than previously projected for 2022-23 and 2.7 percent lower for 2023-24, compared to the 2022 Budget Act.

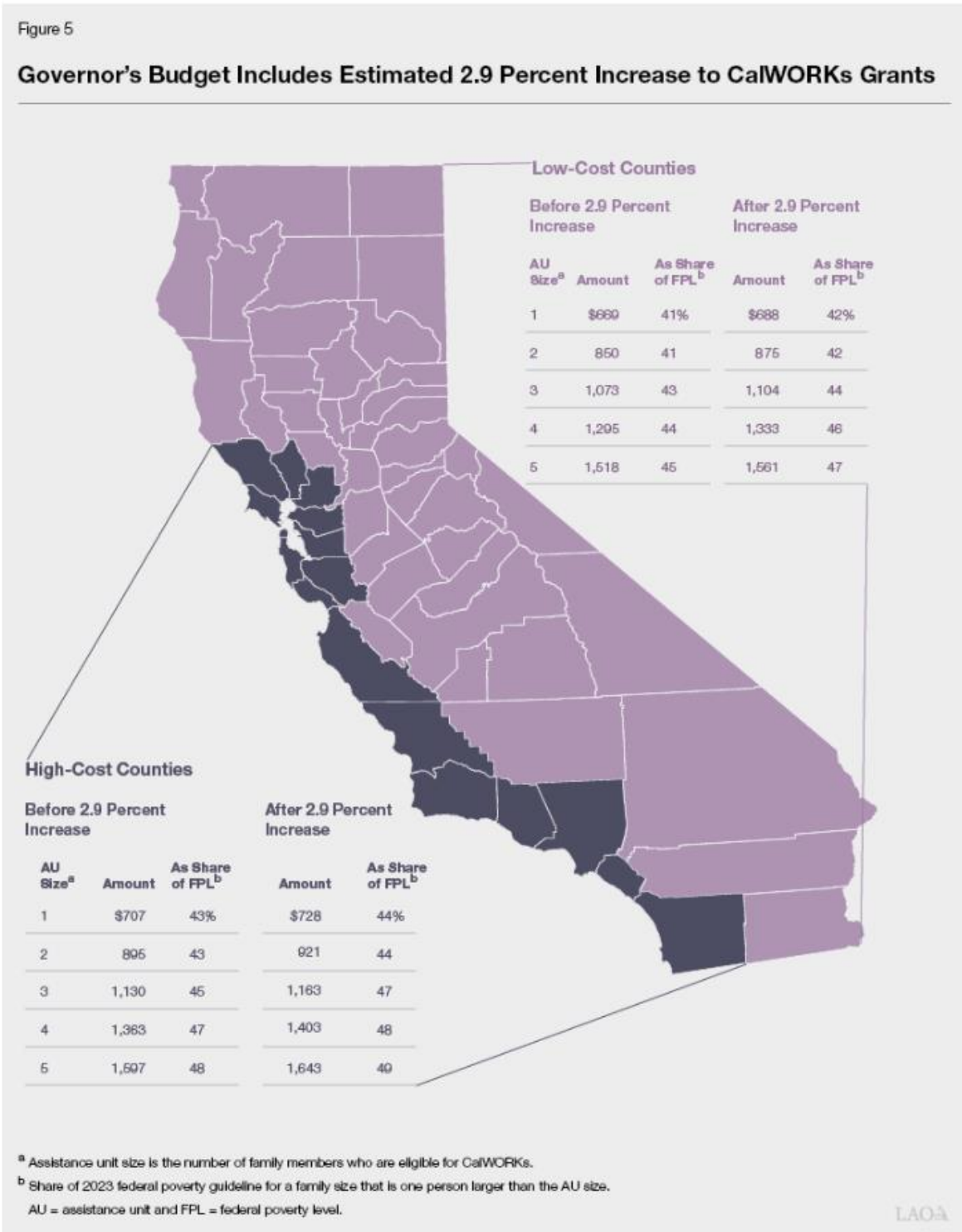
CalWORKs grants. CalWORKs grant amounts generally are adjusted for family size, income level, and region. Recipients in high-cost counties receive grants that are 4.9 percent higher than recipients in lower-cost counties. As an example, a family of three in a high-cost county that has no other earned income currently receives \$925 per month, whereas a similar family in a lower-cost county receives \$878 per month. In 2022-23, the administration estimates the average CalWORKs grant amount to be \$960 per month across all family sizes and income levels. These grants are funded through a combination of federal TANF block grant funding, state General Fund, and county dollars. Families enrolled in CalWORKs typically are also eligible for CalFresh food assistance and Medi-Cal health coverage. CalWORKs benefits are deposited into Electronic Benefit Transfer (EBT) cards. Unless otherwise exempt, parents who receive CalWORKs benefits are generally required to work or participate in qualified training or job-search activities.

Monthly CalWORKs grant amounts are set according to the size of the Assistance Unit (AU). The size of the AU is the number of CalWORKs-eligible people in the household. Grant amounts are adjusted based on AU size—larger AUs are eligible to receive a larger grant amount—to account for the increased financial needs of larger families. According to the LOA, as of October 2021 (when the most recent analysis was conducted), about 40 percent of CalWORKs cases included everyone in the family (and thus the AU size and the family size were the same). In the remaining 60 percent of cases, one or more people in the family were not eligible for CalWORKs and therefore the AU size was smaller than the family size. The LAO notes that the share of families containing at least one ineligible member will likely decrease when updated data are made available due to recent policy changes which have extended lifetime assistance limits for adults and reduced the likelihood that adults will be sanctioned for failing to meet work requirements.

According to the LAO, people are most commonly ineligible for CalWORKs because they (1) exceeded the lifetime limit on aid for adults, (2) currently are sanctioned for not meeting some program requirements, or (3) receive Supplemental Security Income/State Supplementary Payment (SSI/SSP) benefits (state law prohibits individuals from receiving both SSI/SSP and CalWORKs). Additionally, many individuals are ineligible due to their immigration status. Undocumented immigrants, as well as most immigrants with legal status who have lived in the United States for fewer than five years, are ineligible for CalWORKs.

CalWORKs grant increase. The Governor’s budget includes a 2.9 percent grant increase to CalWORKs grants, which would take effect in October 2023. This increase is triggered and funded by revenue growth in the Child Poverty and Family Supplemental Subaccount. The LAO estimates that the cost of the 2.9 percent grant increase is \$95 million in the budget year and \$125 million annually. This is an estimate and could change based on the May Revision.

No Child in Deep Poverty. The Legislature has a longstanding goal to increase CalWORKs grants to 50 percent of the federal poverty level (FPL) for families that are one person larger than the AU size, recognizing that a majority of CalWORKs families include an ineligible member. The chart below, provided by the LAO, shows how the 2.9 percent grant increase would raise CalWORKs grants for all AU sizes, and how this grant would affect the poverty level for a family one person larger than the AU size.



Source: Legislative Analyst’s Office

As shown in this graph, the 2.9 percent increase would raise grants for all AU sizes in high-cost counties to between 44 percent and 49 percent of the FPL for a family one person larger than the AU size, and to slightly lower levels for families in lower-cost counties. This still leaves many CalWORKs families in deep poverty.

The 2022 Budget Act made a historic combined 21 percent increase in CalWORKs grants, increasing the grant for a family of three by as much as \$194 million per month.

CalWORKs single allocation. Federal law allows for a degree of state flexibility in the use of federal TANF funds. The state receives \$3.7 billion annually for its TANF block grant, about \$2 billion of which goes to CalWORKs (an additional \$1 billion helps fund aid for some low-income college students and the remainder helps fund a variety of smaller human services programs). To receive its annual TANF block grant, the state must spend a maintenance-of-effort (MOE) amount from state and local funds to provide services for families eligible for CalWORKs. This MOE amount is \$2.9 billion. State and federal CalWORKs funding generally is allocated to the counties, all of whom directly serve eligible families. In addition to funding for cash grants, counties receive several other funding allocations to administer and operate CalWORKs. The main funding allocation—known as the “single allocation”—currently funds employment services, eligibility determination, and administrative costs. Funds within the single allocation are fungible, meaning counties are not required to spend, for example, the employment services portion of the single allocation exclusively on employment services but can instead use some of those funds on administrative costs at their discretion.

Starting in 2018-19, the state (in conjunction with counties) developed a new funding formula which increases (or decreases) administrative funding in increments of \$28 million based on caseload changes. This formula recognizes that most administrative services are provided by full-time county employees, and counties cannot rapidly change their staffing levels in response to changing caseload. Administrative funding changes occur when there is a caseload change of about 20,000 families.

During the pandemic, caseload decreased by about 60,000 families, which normally would trigger three consecutive years of funding decreases. However, in recognition of the high level of uncertainty surrounding caseload projections at the time, these decreases were suspended the last three years, and the state provided both ongoing (\$40.8 million starting in 2021-22) and temporary (\$55 million for both 2022-23 and 2023-24) augmentations to the base level of administrative funding.

The Governor’s budget proposes to reduce county administrative funding by one increment (\$28 million) to align funding with recent caseload declines (the budget also assumes an additional decrease in administrative funding related to cost-sharing agreements with other county-administered programs). According to the LAO, although the proposal is consistent with the design of the funding formula, projected caseload increases create some complications. Caseload is anticipating to rise in the next year. The LAO notes that if funding is reduced in 2023-24, counties would be eligible for an increase in administrative funding next year (in 2024-25). Consequently, decreasing county administrative funding this year could introduce unnecessary disruption to county services. Counties have flexibility over the single allocation to cover additional administrative costs by shifting funds from other components of administration—such as employment services.

Staff Recommendation. Hold Open.

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

1. Please provide an overview of the Governor’s proposed 2022-23 budget for CalWORKs.

2. Please provide an update on CalWORKs caseload.
3. Please describe the changes to the CalWORKs single allocation in the Governor's proposed budget.

The Subcommittee requests the LAO respond to the following:

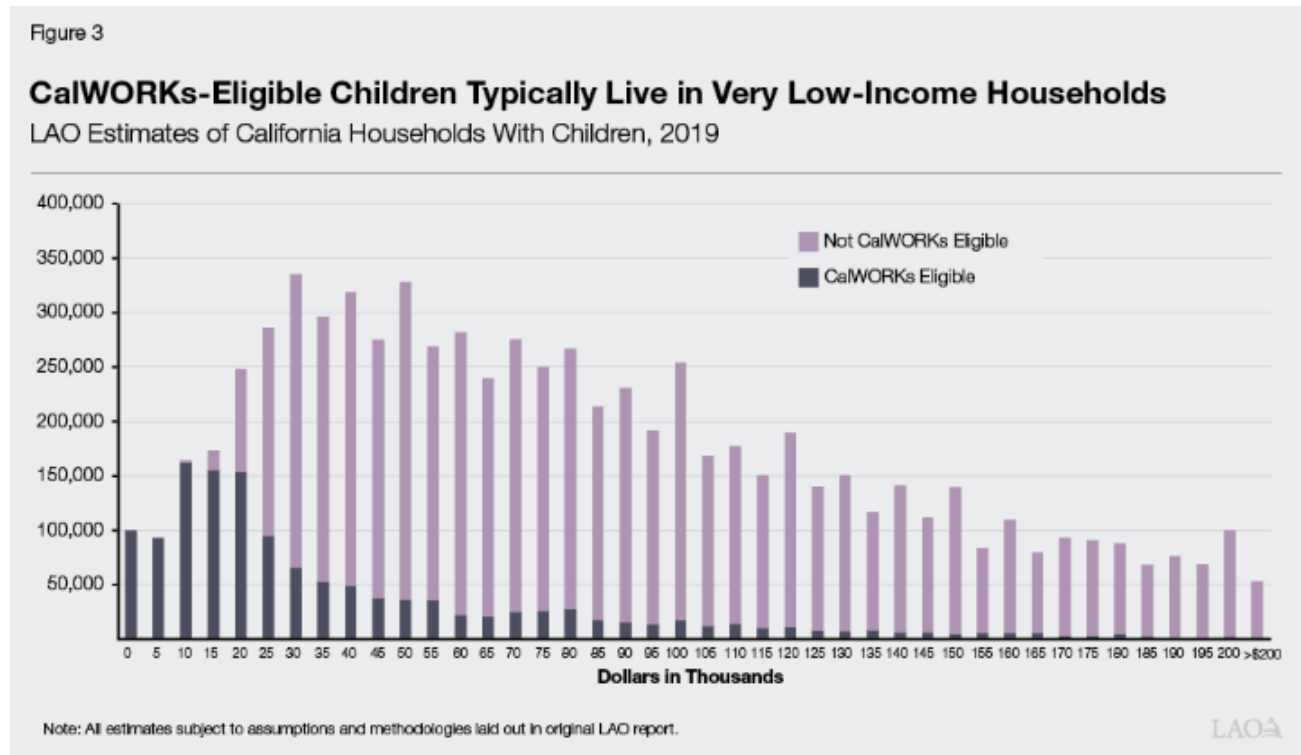
1. Please share the LAO's comment's on the Governor's proposed 2023-24 budget for CalWORKs.

Issue 9: Reimagining CalWORKs

The Subcommittee has requested the following individuals to participate in a panel discussion on CalWORKs take-up, efforts to refocus the CalWORKs program on the needs of families living in deep poverty, and a stakeholder proposal to reimagine the CalWORKs program.

- Ryan Anderson, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office
- Sara Kimberlin, Stanford Center on Poverty and Inequality
- Rachel Church, Parent Voices
- Cathy Senderling-McDonald, Executive Director, County Welfare Directors Association
- Yesenia Jimenez, Policy Associate, GRACE/End Child Poverty

CalWORKs. The CalWORKs program was created in 1997 in response to the 1996 federal welfare reform legislation that created the federal Temporary Assistance for Needy Families (TANF) program. CalWORKs provides cash grants and job services, known as welfare-to-work, to low-income families. The program is administered locally by counties and overseen by CDSS. The Governor’s budget projects CalWORKs caseload to be 347,868 in 2022-23 and 360,307 in 2023-24.



Source: Legislative Analyst’s Office.

Caseload and Spending Trends. Prior to federal welfare reform in the mid-1990s, California’s welfare program aided more than 900,000 families. By 2000, the caseload had declined to around 500,000

families. During the Great Recession, the caseload grew, peaking at 585,000, but this was not anywhere close to the levels of the early 1990s. The caseload consistently declined every year for about 10 years beginning in 2010. Following the onset of the COVID-19 pandemic in spring 2020, CalWORKs caseload began what was a historically anomalous decrease given high unemployment. This decline continued until September 2021, the month during which a federal bonus for Unemployment Insurance benefits expired. Caseload has increased each month since September 2021, although it still remains about 40,000 families below pre-pandemic levels in the most recent data.

LAO Report on CalWORKs Take-Up Rate. A recent report from the LAO analyzed CalWORKs take-up rates across demographic groups. The LAO estimates that roughly 60 percent of eligible families enroll in CalWORKs. Nearly every child residing in a very-low-income households (those making \$20,000 or less per year) is likely CalWORKs-eligible, as are a smaller number of children residing in middle- and high-income households, as demonstrated in the chart above. The LAO found that CalWORKs take-up rates vary across demographic groups. Hispanic and Latino parents have above-average rates of poverty but below-average rates of CalWORKs take-up. White parents have below-average rates of poverty but above-average rates of CalWORKs take-up.

The LAO found that since 2005, CalWORKs take-up rates have decreased across almost every group. The overall CalWORKs take-up rate for families has decreased from about 70 percent in 2005 to about 60 percent in 2019. This decline in participation occurred across nearly all demographic groups. The only exception was among parents with more than a high school education, whose take-up rate increased modestly between 2005 and 2019. The LAO outlines some possible factors that may impact CalWORKs take-up among eligible families.

- **Social Networks May Drive Program Awareness.** According to stakeholder interviews, most CalWORKs applicants first hear of the program from family members, neighbors, or colleagues. To the extent people live, work, or associate with others sharing similar economic and demographic characteristics, such word of mouth could result in “clusters” of people enrolling in the program who share these characteristics.
- **For Some, Benefits May Not Be Worth the Effort to Get Them.** In most situations, applying for CalWORKs is a multistep process involving relatively complicated paperwork and in person interviews. Once enrolled, parents must continue to submit regular reauthorization paperwork and, in many cases, must comply with ongoing work or job training requirements. Some parents may feel these requirements are too burdensome and the associated benefits too low to justify enrolling in the program. This seems more likely to be true of parents with outside income, for whom CalWORKs benefits are reduced relative to parents with no outside income. Specifically, a family’s CalWORKs grant is reduced by 50 cents for every \$1 above \$500 per month they earn. This general cost benefit analysis also may explain why families with no eligible parents appear to have higher take up rates, as families with no eligible parents are exempt from meeting work or job training requirements. As prices for housing, food, and consumer goods increase at a more rapid pace than in recent years, this cost benefit analysis may result in even fewer eligible people deciding it is worth it to apply for benefits.
- **Some May Be Relying on Support from Families Rather than CalWORKs Benefits.** Some CalWORKs eligible families appear to live with relatively higher income friends and family

members. For at least some of these families, the financial support they receive from social networks is likely serving as an alternative to CalWORKs. To the extent that some groups (for example, Hispanic and Latino or Asian Californians) are more likely to live in multi generational households or otherwise cohabit with family or friends, this could help explain why take up rates differ between groups.

- **Negative Program Perceptions May Discourage Enrollment.** Another common thread in stakeholder interviews is that many CalWORKs applicants are reportedly very reluctant to apply for aid and do so only as a “last resort.” To the extent such attitudes vary between groups, this could explain some differences in take up rates between groups.

Federal Context and Work Participation Rate. Federal funding for CalWORKs is part of the TANF block grant program. TANF currently requires states to meet a work participation rate (WPR) for all aided families, or face a penalty of a portion of their block grant. Federal formulas for calculating a state’s WPR have been the subject of much criticism. For example, the federal government does not give credit for a significant number of families who are partially, but not fully, meeting hourly requirements. California has sometimes struggled to meet its federal WPR target, and has been required to submit appeals and corrective action plans at times, but has never had to pay a WPR penalty in the history of the CalWORKs program. Current state law requires counties that miss federal WPR rates to pay half of any financial penalty the state may receive for not meeting the federal WPR.

California Budget and Policy Center Report on the WPR. A recent report by the California Budget and Policy Center, “Harmful Obstacles: CalWORKs Work Participation Rate (WPR) Penalty,” found that the CalWORKs WPR penalty undercuts state reforms focused on supporting families.¹⁴ According to this report, “state CalWORKs policy continues to threaten counties with financial penalties tied to the federally defined WPR, incentivizing counties and caseworkers to direct CalWORKs participants away from supportive activities to address barriers that do not fully count toward meeting the federal WPR.” Some findings from this report are included below:

- CalWORKs parents are predominantly women, people of color, and parents of young children. CalWORKs parents face a labor market in which gender- and race-based discrimination are ongoing, as well as workplace expectations and practices that make it difficult for parents to balance work with caregiving responsibilities. Nearly half of CalWORKs households have not completed high school, and many CalWORKs parents are negatively affected by mental health issues, substance use, and domestic abuse, which all impact employment prospects and family well-being.
- California has made many changes focused on supporting families in the CalWORKs program. Some of these changes include establishing broader CalWORKs participation standards that are distinct from federal standards, which include no rigid time limits on activities to address barriers to employment or advance education. The state has also adopted an evidence-based behavioral approach to guide families in setting goals (CalWORKs 2.0); created more holistic outcome measures to evaluate the program (the California CalWORKs Outcome and Accountability

¹⁴ Sara Kimberlin, “Harmful Obstacles: CalWORKs Work Participation Rate Penalty,” California Budget and Policy Center, February 2023.

Review or Cal-OAR); and implemented a voluntary home visiting program to support family health and engaged parenting. However the continued threat of county penalties associated with the WPR hinders full implementation of these family-focused reforms.

- Under the WPR, the federal government defines success for state TANF programs not based on how well the programs meet families’ needs, but only based on whether programs meet specific WPR targets, determined by the percentage of parents receiving assistance that are engaged in a narrowly-defined set of welfare-to-work activities. These federal activities focus on getting parents into paid employment as quickly as possible, despite the fact that such work requirements have racist and sexist roots and research suggests they do not lead to meaningful long-term improvements in employment and are linked to increases in deep poverty. The federal WPR does not acknowledge the value of fully supporting parents to address education and health barriers. Many activities to address barriers faced by large shares of CalWORKs participants – that the state approves without time limits for participants to meet state CalWORKs participation expectations – do not fully count toward meeting the federal WPR.
- Threatening to penalize counties financially for not meeting federal WPR targets creates an incentive for counties to direct parents away from activities to address barriers that may be their best investments to improve stability and long-term employment prospects – and toward more narrowly-defined “work-first” activities that may not be in families’ best long-term interests but will meet rigid federal WPR criteria. This financial penalty policy therefore works at cross-purposes with extensive recent CalWORKs reform efforts. Repealing this policy could better align state policy with the CalWORKs program’s current focus, facilitating full implementation of strategies designed to effectively support parents and families in securing long-term stability and well-being.
- Additional state changes to CalWORKs program rules could extend recent reforms to further bolster support for parents and children. Examples include:
 - Continuing to increase the size of cash grants to enable families to cover their costs to meet basic needs,
 - Expanding policies and practices that help parents avoid and quickly resolve sanctions that reduce access to cash grants,
 - Reducing sanction penalties in order to minimize negative impacts on child and parent basic needs and well-being, and
 - Recognizing county performance that demonstrates strong participant engagement and effectively identifies and addresses participant barriers.

California Budget and Policy Center Report on the Effect of CalWORKs Sanctions. In April 2023, the California Budget and Policy Center released an additional report on the effect of sanctions in the CalWORKs program. This report found that sanctions, which penalize CalWORKs parents who are not meeting program requirements by reducing their monthly grants, have the effect of pushing about 60,000 children per month deeper into poverty.¹⁵

¹⁵ Sara Kimberlin and Monica Saucedo, “Reforming CalWORKs Sanctions Can Better Support Children and Families,” California Budget and Policy Center, April 2023.

CalWORKs Sanctions Push About 60,000 Children Per Month Deeper into Poverty

Monthly CalWORKs Grant for a Single-Parent Family with Two Children, 2023



Note: Grants are for high-cost counties and reflect maximum amounts effective October 2022.
Source: Budget Center analysis of Department of Social Services data



Source: California Budget and Policy Center

This report found:

- On average, the families of 60,000 children are affected by sanctions each month.
- For typical CalWORKs single-parent families, sanctions can cut monthly grants by about \$120, and a single-parent family with two children can lose up to a maximum of \$235 each month. If a family's grant is reduced for an entire year, they can lose up to \$2,820 annually – or about one-fifth of the total income they would otherwise receive from CalWORKs to pay for their basic needs.
- Research shows that sanctioned recipients are often those who face the most barriers to employment and do not fully understand the sanctions process due to limited education, learning disabilities, or mental health problems.

This report recommends that as California moves to reimagine the CalWORKs program to better support participants, building on recent state reforms including CalWORKs 2.0 and Cal-OAR, and reconsidering

the WPR penalty pass-on structure, it must also consider the negative impact of sanctions on families. California should strive to lift families up through its safety net programs by offering support and can take steps to minimize the amount or length of sanctions to reduce harm to families.

CalWORKs 2.0. CalWORKs 2.0 is an initiative led by counties and the County Welfare Directors Association of California (CWDA) to encourage counties to develop and utilize a goal-achievement service delivery framework and an intentional service selection approach within CalWORKs. CalWORKs 2.0 focuses on helping people set and achieve their goals, requiring a flexible environment that shifts from compliance-oriented to a more participant-led focus to assist families in creating goals that align with program requirements and keeps the family at the center of the decision-making process. The design of CalWORKs 2.0 is based on research that shows the benefits of prioritizing the goals of family stability and individualized success.

CalWORKs Outcomes and Accountability Review (Cal-OAR). Cal-OAR takes an outcome-driven approach that facilitates continuous improvement of county CalWORKs programs by collecting, analyzing, and disseminating outcomes and best practices for participant achievement. The Cal-OAR Review Act of 2017 requires Cal-OAR to focus on three core components: performance measures, a county CalWORKs self-assessment, and a county CalWORKs system improvement plan. This program makes staff and participant collaboration central to the improvement efforts undertaken by County Welfare Departments, with the intent to incorporate policy changes for more equitable outcomes for all participants. Cal-OAR uses performance data to measure the impact of continuous quality improvement (CQI) efforts within the space of equitable, participant-centered, improvement strategies.

WPR Workgroup. The 2022 Budget Act requires CDSS to consult with a stakeholder workgroup to develop recommendations to address the state's emphasis on the federal WPR and penalty pass-on structure, while optimizing implementation of the first cycle of the Cal-OAR process. This report was due to the Legislature on April 15, and is now expected to be submitted with the Governor's May Revision.

Stakeholder Proposal for Investment: Reimagining CalWORKs. GRACE/End Child Poverty California, Coalition of California Welfare Rights Organizations, Parent Voices, John Burton Advocates for Youth, and Western Center on Law and Poverty, propose \$95.7 million ongoing to implement a set of policy changes to reimagine the CalWORKs program.

According to this coalition, "Work requirements are policies intended to withhold access to public benefits from families and people living in poverty in order to compel their participation in the labor market. These harmful policy requirements are rooted in racist, sexist, and classist assumptions that people accessing public benefits do not want dignified work, abuse the system, are lazy, and therefore must be coerced to work via public policy. Classist and sexist stereotypes of CalWORKs recipients perpetuate narratives that people living in poverty seek to take advantage of public assistance programs. However, CalWORKs participants face significant barriers to economic security and wellbeing such as gender, race, and immigration status-based discrimination in the labor market. The federal government established evaluation of state programs to focus *not on how well they serve families in crisis, but on whether they meet specific WPR targets*, defined as the share of families receiving assistance that engaged in a narrowly-defined set of welfare-to-work activities.¹⁶ While California has made strides to remove barriers to the

¹⁶ Hutchful, *Undercutting Needs of California Families*, 5.

CalWORKs program, the program remains deeply flawed as a product of federal law and its own history of racist welfare legislation.”

This proposal includes the following components:

1. Remove the pejorative, racist language from the statutory scheme and insert family-centered, empowering, anti-racist language in its place.
2. Revise the sanction policy to reflect anti-racist and family-centered values and ensure that California’s anti-poverty programs are focused on family well-being.
3. Revise the welfare-to-work scheme to (a) enable counties to quickly provide the services and supports families need, (b) reflect anti-racist values, (c) move from a penalty-focused program to one which empowers families and respects their choices, and (d) provide supportive and employment services tailored to family's individual circumstances and needs
4. Eliminate the county work penalty pass through by repealing WIC 10544.

Staff Recommendation. Hold Open.

Questions. The Subcommittee requests the LAO respond to the following:

1. Please provide a brief overview of the LAO’s findings on CalWORKs take-up.

The Subcommittee requests Sara Kimberlin respond to the following:

1. Please describe your research relative to the impact of the WPR and sanctions. What is the effect of the WPR across the CalWORKs program? What is the effect of sanctioning families who do not meet work requirements?

The Subcommittee requests Rachel Church, Parent Voices, respond to the following:

1. Please describe your experience with the CalWORKs program, including access to supportive services. How could CalWORKs better serve parents and families?

The Subcommittee requests Cathy Senderling-McDonald, CWDA, respond to the following:

1. Please describe county efforts to transform the orientation of the CalWORKs program, including Cal-OAR and CalWORKs 2.0. How does the WPR penalty pass-on impact counties? How would removing the WPR penalty pass-on impact the way counties administer the CalWORKs program, including sanctions?

The Subcommittee requests Yesenia Jimenez, GRACE/End Child Poverty, present the stakeholder proposal to Reimagine CalWORKs.

Issue 10: CalWORKs Federal Compliance and New Policy Support for Domestic Abuse Survivors

Budget Change Proposal – Governor’s Budget. CDSS requests four (4.0) permanent positions and \$689,000 General Fund 2023-24 and \$671,000 General Fund annually thereafter to support the CalWORKs Program to address new workload associated with implementing federal rules pertaining to domestic abuse survivors.

Background. Recent federal guidance updates existing policy and requires CDSS establish and enforce standards and procedures to ensure that applicants and potential applicants for CalWORKs are notified of assistance made available by the state to victims of sexual harassment and survivors of domestic violence, sexual assault, or stalking. Additionally, the new policy requires states to enforce standardized training for program administrators who provide services to domestic violence survivors. The current training manual, created in 2001, for counties is outdated and requires a comprehensive overview to align with these federal rule changes. CDSS requests additional resources to update the training manual and enforce standards and procedures to be adopted by counties and the state.

According to CDSS, current practice is out of compliance with the federal rule changes. The current policy establishment and enforcement ensure that applicants and potential applicants for CalWORKs (including recipients at the entry to Welfare-to-Work and at re-determination) are notified of assistance available to survivors of domestic violence, but if domestic violence is identified and/or suspected during the intake process and/or during the Online CalWORKs Appraisal Tool completion process, there is no consistent policy, procedure, or enforcement for identification, and handling of these observations, or how and when referrals are made.

In order to comply with the federal rule changes, CDSS requests resources to ensure that caseworkers and other agency personnel responsible for administering the CalWORKs program are trained in the nature and dynamics of sexual harassment and domestic violence, sexual assault, or stalking. CDSS will also redefine policies and regulations to incorporate changes to the definition of domestic violence survivors, establish a statewide training curriculum and update training standards including an ongoing verification process of training compliance, and methods of ascertaining and ensuring the confidentiality of personal information and documentation related to applicants for assistance and their children who have provided notice about their experiences of sexual harassment, domestic violence, sexual assault, or stalking.

Staffing and Resource Request. CDSS plans to execute a contract from experts in the field of domestic abuse to upstart the training process. After the training process is developed, the requested resources will monitor changes to policy as well as questions from the county to ensure the training is always up to date and includes valid resources to assist California’s 58 counties to provide domestic abuse services to the CalWORKs population. Additionally, CDSS must draft an All County Letter (ACL) for Domestic Violence to update program with new requirements for caseworkers to be trained on new areas of federal rule change regarding the types of abuse such as sexual harassment, sexual assault, or stalking.

CDSS states that besides making updates to policies, CDSS will have to provide additional technical assistance to counties along with clear programmatic direction and planning regarding how the state will address the needs of this population. This may require the establishment of handbooks, training materials, technical assistance and webinar sessions, stakeholder convenings, report outs to federal oversight agencies and the state legislature, coordination with tribal governments, and compliance with the

CalWORKs programs including Home Visiting and Cal-LEARN with additional changes in those programs as well. CDSS will have to update current state regulations. The staff resources being requested will support the planning and implementation of these new federally required changes along with the development of the regulation review and overhaul initiative, addressing all changes to the CalWORKs program that have occurred in recent years.

According to CDSS, approving this staffing and resource request will help identify and address shortcomings in the domestic violence identification process at the counties, to better determine, offer, and assist CalWORKs applicants and recipients with services and provide program waivers.

Staff Recommendation. Hold Open.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide a brief overview of this proposal.
2. What are some of the common barriers that survivors of domestic violence face in accessing CalWORKs assistance? How will the resources requested in this proposal increase access and services for survivors of domestic violence?

Issue 11: Unrelated Adult Disclosure Requirements

Trailer Bill Language – Governor’s Budget. CDSS proposes trailer bill language to apply gender neutrality to the household composition and family reporting requirements that currently only apply to unrelated adult males.

Background. Existing CalWORKs law has requirements specific to “unrelated adult males” who reside with a family consisting of a mother and her children applying for or receiving CalWORKs. Unrelated adult males are required to cooperate and contribute financially to the CalWORKs family at least what it would cost that individual to support an independent living arrangement. This policy currently only applies to situations involving a mother and an unrelated adult male, but not to arrangements such as a CalWORKs father with an unrelated adult female residing in the home, or some other scenario involving an unrelated adult.

The current unrelated adult policy imposes the following requirements on CalWORKs families:

- Requires a CalWORKs applicant/recipient to disclose their public assistance status to a non-mandatorily included assistance unit member as a condition of eligibility.
- Requires an unaided individual to make a financial or in-kind contribution to the assistance unit or risk potential referral for a fraud determination related to misuse of aid.
- Establishes that refusal of cooperation by an unaided individual may result in referral to a District Attorney.

According to CDSS, these requirements would not change by making the unrelated adult policy gender-neutral, but would rather apply to a broader array of household arrangements involving unrelated adults.

Stakeholder concerns. GRACE and the End Child Poverty California Coalition recommend that instead of applying this section more evenly across genders, this section should be struck entirely, noting that existing statute is based on misogynistic premise that assumes the CalWORKs family is gaming the program.

Staff Comment and Recommendation. Hold Open.

Staff notes that the disclosure and contribution requirements surrounding “unrelated adult males” is not a federal policy, and across the TANF program, thirty-three states exclude all non-caretaker adults from eligibility considerations. Striking this requirement altogether rather than expanding it would have little programmatic effect and would avoid unintended consequences of broadening this rule.

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

1. Please provide a brief overview of this proposal.
2. Please describe any programmatic or fiscal impacts that would result from eliminating this program requirement instead, as stakeholders have recommended.

Issue 12: Reminder Notice of CalWORKs Redetermination

Trailer Bill Language – Governor’s Budget. CDSS proposes trailer bill language to require a county provide an additional reminder notice to a CalWORKs recipient to complete their annual redetermination certificate for CalWORKs eligibility.

Background. The annual redetermination is the process by which County Welfare Departments (CWDs) determine continuing eligibility for all CalWORKs assistance units (AUs) prior to the end of their payment period. The redetermination process ensures that the correct payment amount is made only to eligible households. The annual redetermination process must be completed in the 12th month of the payment period for both Semi-Annual Reporting (SAR) and Annual Reporting Child Only (AR/CO) cases. The annual redetermination is when many families are inadvertently discontinued, resulting in disruptions to their assistance and in a churn of cases when they are later restored to the program.

Prior to the implementation of semi-annual reporting, recipients were required to complete an eligibility status report (QR 7 for quarterly reporting, CW 7 for monthly reporting). When an eligibility status report was not completed, the CWD was required to send a reminder notice to the recipient no later than five days prior to the end of the month to prevent program discontinuance and reduce the burdens experienced by families and CWDs to later restore eligibility. This requirement continued for SAR 7 reporting; however, it was not established for annual redeterminations.

Reminder notices at redetermination. When a CalWORKs family loses assistance for an incomplete redetermination or for a missed redetermination interview, the recipient is provided with a timely discontinuance notice. Personal contact is also attempted by the county reminding the recipient that a complete certificate is due, as well as an attempt to collect the required information when contact is made to complete the certificate. However, unlike the semi-annual reporting process, when personal contact is unsuccessful at annual redetermination, there is no requirement to send a reminder notice five days before program discontinuance.

This proposal seeks to resolve this discrepancy by having a requirement at annual redetermination that a reminder notice be sent five days before the end of the month. This will provide not only noticing parity for both semi-annual reporting and redeterminations, but will also provide recipients the opportunity to contact the CWD before discontinuance and reduce the burden experienced by the family and CWD for restoring benefits.

According to CDSS, the reminder notice would also cover missing or incomplete annual redeterminations.

Staff Recommendation. Hold Open.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide a brief overview of this proposal.

Issue 13: Home Visiting Program Pregnancy Eligibility Alignment

Trailer Bill Language – Governor’s Budget. CDSS proposes clean-up trailer bill language to remove unnecessary eligibility criteria for the CalWORKs Home Visiting Program, as a result of changes enacted in 2022 that streamline CalWORKs eligibility for pregnant applicants.

Background. AB 135 (Committee on Budget, Chapter 185, Statutes of 2021) expanded eligibility for CalWORKs aid for pregnant person only applicants. Effective July 1, 2022, pregnant adults age 19 or older, with no other eligible children in the home, will be eligible at any stage during their pregnancy and will no longer be required to wait until their second trimester to be eligible for CalWORKs.

CalWORKs HVP was established in 2018 to support positive health, development, and well-being outcomes for pregnant and parenting people, families, and infants born into poverty.

Effective July 1, 2019, SB 80 (Committee on Budget and Fiscal Review, Chapter 27, Statutes of 2019) made changes to the population served in CalWORKs HVP to ensure pregnant persons would be able to access Home Visiting services as soon as possible. Two of those changes included:

- Adding eligibility for a pregnant individual who has applied for CalWORKs aid within 60 calendar days prior to reaching the second trimester of pregnancy and would be eligible for CalWORKs aid other than not having reached the second trimester of pregnancy.
- Adding eligibility for an individual who has applied for and is apparently eligible for CalWORKs aid. “Apparent Eligibility” means that the information provided on the Statement of Facts and information otherwise available to the county indicates that the applicant would be eligible for aid if the information on the Statement of Facts were verified.

Technical Clean-up language. With the passage of AB 135, CalWORKs applicants will be eligible for assistance at any stage of their pregnancy and will no longer be required to wait until their second trimester to receive CalWORKs aid. This proposal will make corresponding clean-up changes to remove HVP-related eligibility criteria that are no longer necessary.

Staff Recommendation. Hold Open.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide a brief overview of this proposal.

5180 DEPARTMENT OF SOCIAL SERVICES – CALIFORNIA STATEWIDE AUTOMATED WELFARE SYSTEM (CALSAWS)**Issue 14: Oversight: California Statewide Automated Welfare System (CalSAWS)**

The Subcommittee has requested the following individuals to participate in a panel discussion on the CalSAWS project:

- Brandon Hansard, Deputy Director, Benefit and Enrollment Technology Support Division, Office of Systems Integration, California Health and Human Services Agency
- John Boule, Executive Director, CalSAWS
- Cathy Senderling-McDonald, Executive Director, County Welfare Directors Association
- Jennifer Tracy, CalSAWS Advocates Co-lead, California Association of Food Banks
- Kevin Aslanian, Executive Director, Coalition of California Welfare Rights Organizations
- Brian Metzker, Principal Fiscal and Policy Analyst, LAO

Background. The SAWS encompasses the case management systems supporting the state of California’s public assistance programs providing eligibility determination and benefit calculation for county eligibility and employment staff to assist program recipients. The SAWS provides support and automation for the administration of the following programs:

- CalWORKs
- CalFresh
- California Food Assistance Program
- Medi-Cal
- Foster Care
- Refugee Cash Assistance
- Cash Assistance Program for Immigrants
- Kinship Guardianship Assistance Payment
- General Assistance/General Relief
- Welfare-to Work
- Child Care
- Adoption Assistance

The CalSAWS Consortium is comprised of all 58 California counties, which are organized into six regions. The governance structure is based on geographic proximity and loosely based on persons being served by such counties. The counties are represented by a Board of Directors and a Project Steering Committee. Currently, 45 of 58 Counties use CalSAWS. The other 13 will move to CalSAWS by the end of October 2023.

California has a federal mandate to expand LRS (the automated system for LA county only) to all 58 Counties by the end of calendar year 2023. At the time of the mandate, three systems were operating, C-IV, CalWIN and the LA precursor to LRS. CalSAWS became a reality in September 2021 when 39 C-IV counties migrated to the Los Angeles system previously called LRS. As of October 2022, CalWIN migration began.

Background. Based on federal direction, and for the SAWS to continue receiving Federal Financial Participation to comply with State and Federal technical architectures, the Centers for Medicare and Medicaid Services (CMS) and Food and Nutrition Service (FNS) are requiring California to implement a single CalSAWS System supporting all 58 counties by 2023. For the statewide consortium governance structure, the previous 40-county CalACES Joint Powers Authority (JPA) structure was expanded and updated to include the additional 18 California Work Opportunity and Responsibility to Kids Information Network (CalWIN) counties and non-voting state representation. During 2018 and 2019, executive leadership representatives from the California counties finalized the formal JPA governance structure. The expanded 58 county CalSAWS JPA became effective on June 28, 2019, and now constitutes a single legal entity for purposes of managing the CalSAWS Consortium and the CalSAWS System.

CalSAWS Project Status. The SAWS single-system strategy is being achieved through a cloud hosting strategy and a single application development effort, ensuring the functionality meets the needs of all counties and clients, applying the principle of reuse of technology investments through the implementation of shared services, and modernizing CalSAWS as needed in the future. In alignment with the federal mandate for a single statewide eligibility system, the CalWIN counties will migrate to CalSAWS to form a 58-county CalSAWS system in a series of six conversion waves from October 2022 through October 2023. Deloitte Consulting, LLP (Deloitte) was the selected vendor for the CalWIN Training, Change Management, and Implementation Support contract to support CalWIN county migration activities.

BenefitsCal. In August 2020, the competitive procurement was completed to acquire a vendor to build a statewide Portal/Mobile Application to serve residents of all California counties and integrate seamlessly with the CalSAWS system. The selected vendor is Deloitte, which was employed to use a User Centered Design (UCD) process to actively engage with County representatives, State staff, advocates, Community Based Organizations (CBOs), Application Assisters (Assisters), and clients to design and develop the BenefitsCal based on UCD principles. Under the leadership of the State and the CalSAWS consortium, Deloitte facilitates training, communication, and engagement with the advocate and client participants throughout the BenefitsCal implementation phases. BenefitsCal went live for the 39 former C-IV counties and LA County in September 2021 and April 2022, respectively. Placer and Yolo, two former CalWIN counties, went live on BenefitsCal on October 31, 2022, in the first wave of a series of six CalWIN conversion waves to the CalSAWS system. The remaining 16 CalWIN counties will migrate to BenefitsCal according to their assigned conversion waves.

The CalSAWS design, development, and implementation (DD&I) phase is planned for completion in October 2023 based on the March 2019 CalSAWS project start date.

Future CalSAWS Services. In preparation for the completion of the CalSAWS DD&I phase and the move into the M&O phase, a Request for Proposal (RFP) has been released to procure maintenance and operation (M&O) Services to support CalSAWS. The new CalSAWS M&O vendor is projected to begin transitioning M&O services with the incumbent vendor after the final CalWIN migration wave in October

2023 and six-month stabilization period. The M&O RFP was released on July 6, 2022, as planned upon State and Federal approval. The Contract Start Date is scheduled for May 1, 2024, pending State and Federal Approval.

CalSAWS budget. The following SAWS project budget information was provided by the Office of Systems Integration (OSI):

Total Project Budget:

Total CalWIN Budget/Cost	Timeframe	Document Referenced
\$641,717,037	FY 1999-00 to FY 2006-07	PIER, Fall 2007

Total CalSAWS Project Budget/Cost	Timeframe	Document Referenced
\$901,685,284	FY 2018-19 to FY 2022-23	January 2022 As-Needed IAPDU

2022-23 SAWS (CalWIN) M&O Budget:

Federal Funds	General Fund	Other	Total
\$52,647,000	\$44,411,000	\$4,332,000	\$101,390,000

2022-23 CalSAWS DD&I Project Budget:

Federal Funds	General Fund	Other	Total
\$191,984,000	\$151,936,000	\$7,651,000	\$351,571,000

CalSAWS Policy Implementation Timeline. When the Legislature or Administration makes a policy change to program eligibility benefits, or other program components such as changes to forms and notices, this often requires a change to be programmed through CalSAWS. According to the CalSAWS Project, there are 25 legislative policy changes in process across several programs in 2023-24 and 2024-25. The graphic below, provided by the SAWS Project, demonstrates the typical CalSAWS Policy Implementation timeline:

CalSAWS Policy Implementation Timeline*



Note: BenefitsCal only changes that do not require CalSAWS integration may implement more quickly.

Source: SAWS Project.*CalSAWS Project notes that timelines vary according to the complexity of the change.

Stakeholder concerns. Stakeholders have consistently expressed concerns with the way that the CalSAWS Project works with stakeholders such as community-based organizations and advocates. Stakeholders say there are many problems with the client experience in BenefitsCal and that the CalSAWS Project fails to meaningfully engage with stakeholders regarding User-Centered Design for BenefitsCal and other feedback and recommendations across the development of CalSAWS and BenefitsCal.

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

Staff notes that the migration of all 58 counties into a single CalSAWS system, expected to complete in October 2023, represents a major milestone in achieving a single statewide system that has been many years in the making. The Legislature may wish to set expectations for what a post-migration CalSAWS will look like in terms of the system’s ability to implement legislative policy changes.

Questions. The Subcommittee requests OSI respond to the following:

1. Please provide a brief overview of the CalSAWS project. When does the federal government require the state to have a single automated system?
2. How does OSI oversee the CalSAWS project? What is OSI’s role in working with stakeholders? What is OSI’s role in CalSAWS governance?
3. What are the key components of the CalSAWS budget in 2023-24, and what has the historical spending on this project been? How does OSI oversee the CalSAWS budget?
4. What is the state’s interface with the CalSAWS system?

The Subcommittee requests the CalSAWS Project and CWDA respond to the following:

1. Please describe the process of implementing a policy change through CalSAWS. How will this process change once the system migration is complete in October 2023? What will typical

timelines look like for the system to implement policy changes as the system is no longer experiencing a migration?

2. Please describe how the CalSAWS Project makes decisions about implementing various system changes, including legislation, county requests, and advocate requests, in the SAWS and in BenefitsCal. What is the system for prioritizing different types of system change requests from different sources?
3. Please provide how the CalSAWS engages with stakeholders in the BenefitsCal design and other CalSAWS policies and processes. How does the department meaningfully collaborate with stakeholders and include their feedback? How is stakeholder feedback tracked?

The Subcommittee requests the CalSAWS stakeholder advocates respond to the following:

1. What is the experience of stakeholders engaging with CalSAWS?
2. What are the benefits to the state and clients of having a single statewide automated system? What are some of the key concerns stakeholders have about the implementation of CalSAWS and BenefitsCal?

The Subcommittee requests the LAO respond to the following:

1. Please provide a summary of the LAO's assessment of stakeholder concerns with the CalSAWS project.

5180 DEPARTMENT OF SOCIAL SERVICES – OFFICE OF EQUITY

Issue 15: Office of Equity Overview

Background. The CDSS Office of Equity was established in 2019 and reflects CDSS’ commitment to serve all Californians. As a department providing food, shelter, safety and security, employment and job supports and training, CDSS is uniquely well-positioned to reduce structural inequities through its programs and practices. The Governor’s budget includes 126 positions in the Office of Equity in 2023-24.

Immigrant Integration Branch (IIB). The IIB within the Office of Equity oversees immigration legal services, refugee resettlement, and immigrant support service programs that welcome and integrate new Californians. The IIB serves immigrant (foreign-born) Californians with a variety of immigration status, including undocumented residents, humanitarian parolees, refugees, asylees, and legal permanent residents seeking to become naturalized U.S. citizens. In 2022, IIB programs served hundreds of thousands of immigrants through programming designed to provide cash assistance, wrap-around services, navigation support, and legal representation to obtain immigration benefits.

The Immigrations Service Bureau (ISB) ensures the effective development and implementation of programs and funding initiatives necessary to support legal services, outreach, community education, and other immigrant integration efforts. The Unaccompanied Undocumented Minors (UUM) and Immigration Services Funding (ISF) grants, known as the “One California” program are the longest running immigration legal services programs. Through these programs, nonprofits provide pro bono immigration legal services and increase the capacity to serve underserved immigrant populations. The \$55 allocation to the One California program supported 93 organizations in 2021-22.

- **Refugee Programs Bureau.** This bureau provides state-level leadership and coordination of programs and services to achieve successful resettlement and integration of vulnerable populations in California. These programs are designed to support the integration of newly arrived Afghans arriving between July 31, 2021, through September 30, 2023.

Program	Services	Funding
Afghan Support & Investment Program (ASIP)	Rental subsidy (up to 12 months) and hoteling assistance	\$45 million Federal Funds
Afghan Integration & Resettlement Services (AIRS)	Case management, education, and outreach	\$10 million State General Funds
Afghan Community Services (ACS)	Capacity building, case management, education, and outreach	\$10 million Federal Funds

Afghan Legal Services Project (ALSP)	Legal services	\$16 million Federal Funds
Afghan Arrival Job Readiness (AAJR)	Employment services	\$700,000 Federal Funds

- **Afghan Arrivals.** California welcomed approximately 15,000 Afghans, or 18 percent of the 80,000 total Afghans resettled through Operation Allies Welcome. California ranks second in the U.S. in resettling Afghan arrivals.
- **Ukrainian Arrivals.** As of December 2022, over 19,000 Ukrainians have arrived in California; California ranks third in the U.S. in receiving Ukrainian arrivals. Under the Ukrainian Support Services Project, \$2.3 million was awarded to three nonprofit organizations to provide critical assistance and immigration legal services to individuals displaced from Ukraine. This project is expected to serve approximately 1,800 individuals in Los Angeles, Orange, Sacramento, and San Diego counties.

Rapid Response Program. In partnership with the California Office of Emergency Services and other state, local, and nonprofit partners, CDSS assists with the operation of congregate and non-congregate shelters for arriving migrants at the Southern border. This includes COVID testing and vaccinations, medical screenings and referrals, shelter, food, clothing and basic needs, and onward travel coordination. The 2021 Budget Act appropriated \$105.2 million for the Rapid Response Program, and the 2022 Budget Act appropriated an additional \$175 million for this program available through June 30, 2024. This funding primarily supports border shelter services. A small portion of this funding also supports Ukrainian Support Services.

Office of Immigrant Youth. The Office of Immigrant Youth oversees state and federal initiatives that support the integration and inclusion of newcomer youth, including unaccompanied refugee minors and unaccompanied undocumented minors.

- **California Newcomer Education and Well-Being (CalNEW) Program.** This program provides culturally and linguistically responsive services to newcomer students, English learners, and immigrant families, in coordination with school districts. 15,074 youth were served from 2018-2021. Additional funding of \$20 million in 2021 expanded the CalNEW program to a total of 20 local education agencies and over 19,000 students.
- **Opportunities for Youth (OFY).** OFY provides post-release supportive services to unaccompanied undocumented minors and their families throughout California. From 2020-2022, 665 youth received services such as case management, navigation, and mentorship.

Civil Rights Accessibility and Racial Equity (CARE) Office. The CARE office within the Office of Equity is charged with providing state-level leadership and direction to ensure compliance with civil rights laws and to develop, promote, and foster policies and programs that ensure access and promote equitable outcomes in alignment with the department's equity goals. Initiatives of the CARE Office include the Community Response Initiatives to Strengthen Emergency Systems (CRISES) grant pilot program, Services for Survivors and Victims of Hate Crimes program, and the Deaf Access Program.

- The 2021 budget included \$110 million General Fund over three years to implement a grant program to provide services for hate crime victims and survivors. The program provides grants to community-based organizations to provide trauma-informed and culturally and linguistically appropriate services for victims of hate incidents and their families, both for populations experiencing a recent increase in hate incidents as well as those with historically high rates. These services include, but are not limited to, mental health services, legal assistance, and victim advocacy, as well as education about how to report hate incidents and access services and support for community-level hate incident prevention initiatives.
- The CRISES grant program provides \$10 million over three years to cities, counties, or tribal government agencies to partner with community-based organizations. The goal of the program is to create and strengthen community-based alternatives to law enforcement in crisis situations. Grants must be a minimum of \$250,000 and the department must work with a stakeholder workgroup to provide recommendations on program implementation.
- The Deaf Access Program was created in 1981 to ensure that state and local government programs are routinely adapted to meet the communication needs of California's Deaf and Hard of Hearing population. The purpose of this program is to enable children, adults, and families to receive all of the benefits and services to which they are entitled. CDSS administers \$8.7 million in state funds to eight nonprofit service providers covering all 58 counties, serving 45,528 individuals in 2021-22.

Office of Tribal Affairs (OTA). The OTA leads CDSS efforts to build better government-to-government relationships between CDSS and California Indian Tribes, Counties and Tribal Governments, and Native American stakeholders. OTA conducts tribal consultation and oversees state efforts to achieve compliance with the Indian Child Welfare Act (ICWA).

Governor's Budget. The 2023-24 Governor's Budget includes \$600,000 General Fund ongoing to support vendor contracts with providers with suitable expertise to conduct facilities assessment. This funding will ensure that CDSS is able to achieve and maintain compliance with the Food and Nutrition Service-mandated County civil rights review schedule. This proposal aligns with CDSS' equity priorities and will ensure the accessibility of CWDs for people with disabilities and supports the vision of a healthy California for all where older and disabled individuals are supported and valued.

Staff Recommendation. Hold Open.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide a brief overview of the Office of Equity's proposed 2023-24 budget.
2. Please provide an update on efforts under the Immigrant Integration Branch to resettle refugee newcomers, particularly Ukrainian and Afghan arrivals, in 2022 and 2023.
3. Please provide a brief update on the following programs: Rapid Response Program, Office of Immigrant Youth, Stop the Hate program, and CRISES grant program.

Issue 16: Equity Programs: Workload Rightsizing

Budget Change Proposal – Governor’s Budget. CDSS requests seven (7) permanent positions and \$893,000 in 2023-24 and \$853,000 ongoing, to right size staff resources for implementation of new and expanded legislative initiatives to support immigrant and refugee children in California, tribal food assistance, and related human service programs.

Background. The Legislature has created and expanded several programs under the Office of Equity in recent years, affecting the Office of Immigrant Youth (established in 2022), the Tribal Nutrition Assistance Program (established in 2022), and the Office of the Foster Care Ombudsperson. This proposal seeks to right size staffing in the Office of Equity to account for the increased workload associated with these expansions.

Staffing and Resource Request. This proposal includes staff resources across multiple programs in the CDSS Office of Equity, including the Office of Immigrant Youth, Tribal Nutrition Assistance Program (TNAP), and Office of the Foster Care Ombudsperson (OFCO).

- **Office of Immigrant Youth.** CDSS assists with the development and delivery of programs and funding initiatives necessary to support immigrant integration. The Office of Immigrant Youth was established in 2022 to respond to the implementation of initiatives which intersect across multiple policy areas including immigration legal services, community care licensing, refugee resettlement, social services and support, education, and child welfare policy, including the California Newcomer Education and Well-Being (CalNEW) program. The Office of Immigrant Youth develops and oversees policies, standards, and procedures while also engaging stakeholders to build a network of care in partnership with school districts, county offices of education and Community-Based Organizations (CBOs) to implement the CalNEW program.

This proposal includes four (4) permanent positions to support the effective administration of the CalNEW program. CDSS states this annual appropriation will result in additional grants to school districts and county offices of education, convening work groups, overseeing evaluation and technical assistance, and managing partnerships in collaboration with the California Department of Education. The expected outcomes from implementing this proposal include: an increase in the number of immigrant youth and families participating in wraparound social support services, strengthened specialized team operations and more balanced workloads, increased program monitoring, and evaluation and stakeholder engagement.

- **Tribal Nutrition Assistance Program (TNAP).** CDSS is administers the new Tribal Nutrition Assistance Program (TNAP), including developing grant eligibility standards, grant rules, execution of grants, and Tribal consultation. The TNAP seeks to improve food access to Native Americans living on Indian reservations in California by providing supplemental food benefits to those participating in the federally administered Food Distribution Program on Indian Reservations (FDPIR).

This proposal requests position authority, but no additional funding, for two permanent positions for the TNAP program. CDSS states that since many communities living on the reservations are in more rural, remote locations, outreach efforts will need to be coordinated with TNAP service

providers, Tribes, and Tribal organizations to design an effective and culturally responsive outreach campaign to successfully reach and support the targeted population. These resources will ensure that the TNAP grant eligibility standards identify the needs of Tribes and Tribal organizations and that the grants will be awarded timely and to appropriate service providers.

- **Office of the Foster Care Ombudsperson (OFCO).** The request is in response to the increased demands to the Office of the Foster Care Ombudsperson (OFCO) from the passage of SB 823 (2020) that created the Office of Youth and Community Restoration (OYCR) serving children transitioning between foster care and the Juvenile Justice System.

This proposal includes one position in OFCO who will serve as a liaison between the counties and OYCR to support youth transitioning in and out of the juvenile justice system. The requested permanent resources will allow the OFCO to meet its statutorily mandated requirement to deliver training and technical assistance on the rights of children or youth in foster care, the reasonable and prudent parent standards, and services provided by the office and to provide administrative and technical assistance to county, regional, and/or local foster care Ombudsperson's offices and evaluate the degree to which foster youth are adequately informed of their rights.

Staff Recommendation. Hold Open.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide a brief overview of this proposal.

Issue 17: Grant option for Deaf Access Program

Trailer Bill Language – Governor’s Budget. CDSS proposes trailer bill language to allow grants as an option (in addition to contracts) for awarded Deaf Access Program funds to public agencies or private nonprofits.

Background. CDSS administers the Deaf Access Program for the purpose of providing direct public social services to Deaf and Hard of Hearing persons. Existing law directs CDSS to “contract with public agencies or private nonprofit corporations” for the provision of these services.

Change to allow a grant option. Current law designates contracts as the only permissible way for CDSS to award funds to Deaf Access Program service providers. Over the past several years, the Department has gained increased experience in the administration of grants for similar types of service arrangements (Immigration Services Funding and Rapid Response), and programs have benefited from the flexibility of having both contracts and grants as potential mechanisms for awarding funds to service providers.

CDSS states that similar flexibility would be beneficial to the Deaf Access Program, allowing CDSS to work with existing and potential service providers to identify the funding mechanism that best meets the program’s needs, and allowing the program to adapt as conditions change. This proposal would maintain the existing requirement for competitive bidding of Deaf Access Program awards regardless of which mechanism (contracts or grants) is used.

Staff Recommendation. Hold Open.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide a brief overview of this proposal.

Issue 18: Extension of Flexibility in Allocation of Federal Refugee Resettlement Funds

Trailer Bill Language – Governor’s Budget. CDSS requests trailer bill language to extend the flexibility provided in 2022 to allocate federal funds for refugee social services to private for-profit organizations. This proposal additionally requires CDSS to track report to the Legislature the funding provided to each type of service provider, and to prioritize funding qualified nonprofit organizations and counties over for-profit organizations, when practicable.

Background. SB 116 (Committee on Budget, Chapter 5, Statutes of 2022), temporarily authorized CDSS to use federal funds administered by the federal Office of Refugee Resettlement to award grants to private for-profit organizations to support refugee resettlement efforts. While federal regulations allow funding to a broad array of service providers, state law previously only allowed funded to be awarded to counties and nonprofit organizations.

Since CDSS was granted this flexibility in 2022, CDSS has selected the Critical Technical Assistance Unit (C - Tau), to support implementation and development of the Afghan Support and Investment Program, which is a housing program. CDSS developed this program in consultation with county partners to address the housing needs of Afghan arrivals. According to CDSS, support from this provider has been instrumental in ensuring CDSS had the capacity to quickly develop and implement a direct housing assistance program to support services across various counties. Since implementation of this program in March 2022, has provided both hoteling and long-term housing assistance for 5,551 Afghan newcomers, preventing this population from experiencing homelessness.

Extension of Flexibility. This proposal eliminates the sunset date of the existing exception, providing CDSS with flexibility to respond quickly to surges in arrivals where highly specific expertise or capacity may not be readily available in the nonprofit sector. This proposal continues the requirement for CDSS to track and document funding provided to each type of service provider and the purposes of that award, and to report this information to the Legislature. This proposal also requires the department to prioritize funding qualified nonprofit organizations and counties over for-profit organizations when practicable.

Subcommittee Staff Recommendation. Hold Open.

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

1. Please provide a brief overview of this proposal.
2. Please describe how CDSS has used the flexibility granted in 2022 to support increased refugee arrivals in California.

Issue 19: Immigration Legal Services Clean-up

Trailer Bill Language- Governor’s Budget. CDSS requests trailer bill language to make the following technical changes to immigration legal services programs:

- Expand the types of reimbursements CDSS may fund a qualified nonprofit legal services organization for immigration related legal services.
- Clarifies the definition of “immigration benefits” related to legal services grants under the program.
- Makes non-substantive technical changes to strike out outdated language from statute.

Background. Current law provides CDSS authority to develop, implement, and provide funding to support immigration legal services, outreach, community education, and other immigrant integration efforts. The Unaccompanied Undocumented Minors (UUM), Immigration Services Funding (ISF), and Removal Defense (RD) programs are the longest-running immigration legal services programs. Through these programs, the Department contracts with nonprofits to provide pro bono immigration legal services and increase the capacity to serve underserved immigrant populations. Legal services include consultations, application assistance, the full scope and limited scope representation for immigration remedies, and legal training and technical assistance for CDSS-funded legal service providers. Removal defense services funded through these programs are currently reimbursed on a “fee-per-case” funding model. CDSS and stakeholders have determined this may not be a sustainable funding model for this type of legal services.

Furthermore, recent changes to federal immigration policies and regulations have increased the demand for various types of immigration services and created a need to expand legal service provider capacity. For example, as part of the federal Operation Allies Welcome (OAW), California resettled over 13,000 Afghans in the last year. More Afghans will likely continue to resettle in the coming years. California is also expecting to receive thousands of Ukrainian newcomers, as a result of the ongoing Russian invasion of Ukraine. These populations require assistance with immigration legal services that are not specifically authorized through existing law. Immigrant-serving organizations may need to provide internal trainings and expand capacity in order to meet these growing needs.

Changes proposed in trailer bill language. This proposal includes three changes to current law regarding immigration legal services:

1. **Expand funding methodologies.** This proposal would allow CDSS to determine the most efficient funding methodology for providing reimbursement of immigration legal services, programs, initiatives, and flexibility to implement the programs. Various funding methodologies beyond a “fee-per-case” would address additional barriers nonprofit organizations are challenged with providing qualitative services. As the demand for immigration services continues to increase, the CDSS needs the ability to implement sustainable programs that address the demand and service gaps.

2. **Clarify Funding for immigration services.** As a result of the changes to immigration policies and regulations, and new populations arriving in California, CDSS has received an increasing request for reimbursement of additional immigration benefits and services that are not clearly identified in the current statutory authority. Changes to federal policies and programs are unpredictable and to be responsive to the increasing need for additional services beyond the legal services, CDSS proposes to expand services to cover other immigration benefits to enhance the current legal services funded.
3. **Technical Clean Up.** This proposal would provide additional clean-up language for outdated statute.

Staff Recommendation. Hold Open.

Questions. The Subcommittee requests CDSS respond to the following:

1. Please provide a brief overview of this proposal.

Issue 20: CDSS Stakeholder Proposals for Investment

The Subcommittee has received stakeholder proposals for investment related to the Department of Social Services (CDSS). The following proposals are not included elsewhere in this agenda are for subcommittee presentation:

1. **CalFresh Safe Drinking Water Pilot Program Expansion.** Nourish California proposes \$10 million one-time to extend and expand the CalFresh Safe Drinking Water Pilot program.

According to Nourish California, “recognizing the need to provide short-term relief to these households, the state wisely allocated \$5 million in the 2017-18 state budget to design and implement the CalFresh Safe Drinking Water EBT Pilot. The pilot was originally intended to serve impacted communities in Fresno, Tulare, and Kern Counties, but due to unforeseen complications related to the CalSAWS statewide consolidation project, was limited to Kern County only. This innovative pilot launched in March 2022 and currently provides \$50 per month in supplemental CalFresh benefits to over 4,000 households in selected Kern County zip codes where residents lack access to safe water. Given the certainty that water-related emergencies will continue in our state, it is vital that we act now to extend and expand such successful interventions to help those facing drinking water problems who are at risk for hunger.”

2. **Expand diaper bank and menstrual products pilot.** Community Action Partnership of Orange County proposes \$60 million one-time, over three years, to sustain and expand the diaper bank program and menstrual products pilot.

According to Community Action Partnership of Orange County, “California already has proven and effective programs to address period poverty and diaper need, but in order for these programs to continue operating beyond 2024, and to serve additional communities, a one-time investment of \$60M is needed. The California Association of Diaper Banks (CADP) currently supports 8 organizations in 20 counties distributing infant diapers (CAP Orange County, CAP San Bernardino, Central California Food Bank, Help A Mother Out, Los Angeles Regional Food Bank, Sacramento Food Bank and Family Services, Jacobs and Cushman San Diego Food Bank, Redwood Empire Food Bank). The Menstrual Products Pilot (MPP) currently supports 2 organizations in distributing menstrual products (Los Angeles Regional Food Bank, Jacobs and Cushman San Diego Food Bank).” This proposal would sustain the eight state-funded diaper banks in California, two of which are also part of the Menstrual Products Pilot, and expand the current list of eight to include three more diaper banks, for a total of eleven, and provide funding for them all to distribute diapers, wipes, and menstrual products.”

3. **Statewide diaper and wipe distribution.** SupplyBank.Org proposes \$30 million one-time over three years for statewide diaper and wipe distribution.

SupplyBank.Org states, “this critical investment will build upon the existing Diaper Bank Program established by the Legislature in 2018 and reauthorized and expanded in 2021 to provide a statewide reach through existing efforts in counties administered by SupplyBank.Org and their partners. Throughout the pandemic, SupplyBank.Org has had ongoing distributions of diapers, wipes and other materials in all counties as part of their emergency supply distribution in response

to COVID-19... this program integrates the distribution of diapers and wipes into existing wrap around services and programs within each respective county's safety net. SupplyBank.Org works directly with the local First 5 Commissions and other stakeholders to build a specific county plan and its responsibility includes managing storage and delivery to several sites in each county.

4. **CalWORKs period products.** California High school Democrats, California Generation Ratify. Alliance for Girls, The Pad Project, Access Reproductive Justice, IGNITE National, PERIOD., Unite for Reproductive and Gender Equity (URGE), Sisters on the Streets, Days for Girls, Girls Learn International, The Women’s Building, and Alliance for Period Supplies proposes \$8.1 million in 2023-24 and \$32.5 million ongoing to provide a \$20 monthly CalWORKs payment for menstruating people.

According to the Alliance for Period Supplies, 2021 data shows that 1 in 3 menstruating people have reported missing school, work, or similar commitments due to lack of access to menstrual products. This budget request would support CalWORKs recipients through a special needs payment to address menstrual product insecurity.

5. **CalWORKs access for children whose SSI benefits are suspended.** The Coalition of California Welfare Rights proposes approximately \$1 million to allow a child SSI beneficiary whose SSI benefits have been suspended to receive CalWORKs benefits, if otherwise eligible for CalWORKs.

The Coalition of California Welfare Rights states, “currently an SSI child whose SSI has been suspended and is not receiving any SSI benefits is not eligible for CalWORKs because the SSI benefits have been ‘suspended’ and not ‘terminated.’ The fact is the child is not getting any SSI money while SSI is suspended.” There are approximately 300 children currently impacted by this rule who cannot access CalWORKs even though they are not receiving any income from SSI.

6. **Increase food funding for family child care homes.** Nourish California and the Child and Adult Care Food Program (CACFP) Roundtable propose \$1.3 million in 2023-24 and \$1.5 million ongoing to equalize meal reimbursement rates for family child care homes.

According to these stakeholders, “child care is the largest setting to support access to nutritious foods during the critical early years of development. However, existing law in California only reimburses Family Child Care providers for 75% of the meals served to the children in their care, and those providers are forced to make up the difference. The state meal reimbursement rate gap is the result of a racist legacy of child care laws—still in place today—that undervalue and underpay labor historically performed by Black, Latina, and immigrant women.”

The following stakeholder proposals for investment are non-presentation items:

7. **Permanently authorize the state disaster food assistance program.** The California Association of Food Banks (CAFB) proposes permanently authorizing the State Disaster Food Assistance Program at CDSS, at no cost.

According to CAFB, “California’s State Disaster Food Assistance Program (SDFAP) – our state’s only and highly effective disaster food distribution program – cannot continue to operate once the current supply of food runs out, unless action is taken to place the program permanently in the law. The fundamental feature of the SDFAP is to ensure that there is an adequate resource to respond to California’s disasters that often force families to make life-saving decisions overnight with flooding, explosive fires and the threat of earthquakes. In the face of these natural and human-caused disasters, in October of 2019 CDSS requested to use \$1 million from the state’s General Fund to purchase and deliver food to food banks in affected communities, as well as provide reimbursement for some food bank expenses related to emergency response. This effort was called the “State Disaster Food Assistance Program” (SDFAP) and the “Emergency Food Bank Reserve” was created as the account to fund the program. Although replenishment language for the Emergency Food Bank Reserve account has been included in the state budget since 2020, CDSS currently lacks the legal authority to access this account. The Department is unable to execute a contract with a vendor to procure and distribute food in an emergency using money in the Emergency Food Bank Reserve without this legal authority to access the account. To help ensure the smooth operation, avoid the delays seen this year, and streamline administration of the program we are asking to place SDFAP in the Welfare & Institutions Code where the state’s other emergency food programs reside.”

8. **Building Diversity and workforce support in county human service programs.** County Welfare Directors Association (CWDA) requests \$35 million one-time for building diversity and workforce support in county human service programs.

CWDA states, “county human service agencies are struggling like many other service sectors to recruit and retain staff to deliver critical public safety net services. Despite robust employee benefits and competitive salaries, counties are finding they cannot compete against other industries that often offer higher pay, or similar pay with far less demands. This threatens counties’ ability to meet their federal and state mandates and implement new federal and state initiatives to eliminate poverty and protect children and older adults from abuse and neglect... By giving money to counties to partner with their local community colleges and universities, counties will be able to leverage local students to stay in the community with a direct path to employment with the county based on the certificates, internships, training, or degrees from the partner schools. Additionally, by creating dedicated training programs – based off existing community models – counties can strengthen and diversify their workforce by including and actively recruiting former clients of social safety net programs and people in the community with lived experiences with these programs to work for the county.”

9. **County Emergency Services and Disaster Response Support.** CWDA proposes \$140.2 million in 2023-24 and \$129.9 million ongoing for emergency services and disaster response support.

CWDA states, “over the past five years, the state has experienced an unprecedented number of emergencies and disasters, including but not limited to record-breaking wildfires, the pandemic, and devastating statewide flooding and winds this year. Funding for disaster-related work outside of regular work activities overwhelmingly comes from existing county department budgets and takes significant time to be reimbursed, if it is reimbursed at all. This has resulted in significant

strain on county human services budgets during recent disasters, which in turn further reduces counties' capacity to respond to new emergencies. Additionally, there is an adverse impact to the operations of ongoing, day-to-day program activities for vulnerable populations through the state's social service programs... Eighty-nine percent of counties indicate that funding and staffing support are their top need to delivery services during an emergency. Counties typically must redirect personnel for emergency and disaster response, including caseworkers, social workers, and others whose regular work is critical to the timely provision of human services programs. While the proportion of staff redirected outside their regular jobs during disasters varies across counties, some counties report having to redirect more than 50 percent of their staff due to past emergencies.... CWDA is seeking dedicated and ongoing funding to recognize the additional emergency response and recovery work and responsibilities that county human services agencies are being expected to perform.”

10. **California Coordinated Neighborhood and Community Services Grant.** GRACE/End Child Poverty CA, California Promise Neighborhood Network, California Cradle to Career Coalition, and StriveTogether propose \$45.5 million for the Coordinated Neighborhood and Community Services Grant Program.

According to this coalition, “a one-time investment will make a long-lasting impact to achieve the state's equity goals by establishing the California Coordinated Neighborhood and Community Services Grant program. This grant program will ensure efficient stewardship of nearly \$400M in state investments, as well as federal and local funds. It will also allocate urgently-needed funding to Promise Neighborhoods (PNs) and other neighborhood, and regional cradle to career organizations to reduce inequities and increase economic mobility in communities across California through integrated place-based support systems. While each organization is meeting unique local needs, the common impact is: Cradle to Career partnerships are the intermediaries ensuring that state funds are used effectively, equitable, or reach communities at all. They are the hubs who look across silos between human services, education, workforce development and training to make deep, long-term inroads in front-line communities to overcome the greatest disenfranchisement.”

The following proposals are included elsewhere in this agenda and are listed here for reference:

11. **CalFood Expansion.** The California Association of Food Banks (CAFB) proposes to permanently provide \$60 million for the CalFood program, above the usual \$8 million baseline. See Issue 1 of this agenda.
12. **Food Bank climate and capacity resiliency.** CAFB proposes \$180 million one-time for food bank climate and capacity resilience. See Issue 1 of this agenda.
13. **CalFresh \$50 minimum.** Hunger Action LA, CAFB, Nourish California, and GRACE/End Child Poverty propose \$95 million ongoing to increase the minimum monthly CalFresh benefit from \$23 to \$50. See Issue 1 of this agenda.
14. **Food for All.** The Food for All Coalition, led by California Immigrant Policy Center and Nourish California, propose \$358 million in 2023-24 and \$715.5 million ongoing to expand access to the

California Food Assistance Program (CFAP) for all Californians regardless of immigration status. See Issue 4 of this agenda.

15. **CalFresh Fruit and Vegetable Supplemental Benefits Expansion.** SPUR and Nourish California propose \$93.75 million one-time to expand the CalFresh Fruit and Vegetable EBT Pilot program. See Issue 1 of this agenda.
16. **CalFresh ABAWD CARE benefits.** The California Association of Food Banks (CAFB) proposes \$3 million to create CalFresh ABAWD CARE benefits. See Issue 6 of this agenda.
17. **Reimagine CalWORKs.** GRACE/End Child Poverty California, Coalition of California Welfare Rights Organizations, Parent Voices, John Burton Advocates for Youth, and Western Center on Law and Poverty, propose \$95.7 million ongoing to implement a set of policy changes to reimagine the CalWORKs program. See Issue 8 of this agenda.