Senate Budget and Fiscal Review—Nancy Skinner, Chair

SUBCOMMITTEE NO. 3 Agenda

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

Tuesday, May 11, 2021
1:30 pm
State Capitol - Room 3191

Part A Agenda

Consultant: Renita Polk

Item **Department** **Page**

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ISSUES FOR VOTE ONLY

4170 DEPARTMENT OF AGING

Issue 1: Delay of Repeal of Funding for Aging and Disability Resource Connections (ADRCs) and Senior Nutrition Programs

Trailer Bill language – Governor's Budget. CDA proposes trailer bill language to delay the suspension of additional funding provided in the 2019 budget for ADRC programs and Older Americans Act senior nutrition programs until December 31, 2022. Rather than executing the suspension calculation this May (under current law), the Governor's budget proposes a new suspension calculation at May Revision in 2022. Specifically, the Governor proposes that the Legislature enact new suspension language that would give the Department of Finance (DOF) the authority to make this calculation again at the time of the May Revision in 2022.

This proposal was heard at the subcommittee's hearing on March 2, 2021.

Staff Comment and Recommendation – Modify. As with other issues proposed for suspension discussed in previous Subcommittee hearings, staff notes that the suspension language treats policies that are fundamentally ongoing as temporary and understates the true ongoing cost of the state's policy commitments. The suspension language creates uncertainty in these programs, creating uncertainty for the vulnerable individuals that these programs serve. Staff recommends the following alternative to the Administration's proposal:

- Adopt placeholder budget bill language to eliminate all program suspensions authorized in the Budget Act.

- Adopt placeholder trailer bill language to eliminate all program suspensions authorized in statute

4260 DEPARTMENT OF HEALTH CARE SERVICES

Issue 2: Delay or Repeal of Program and Benefit Suspensions

Budget Bill Language and Trailer Bill Language – Governor's Budget. DHCS proposes provisional budget bill language and trailer bill language to delay or repeal program and benefit suspensions first adopted in the 2019 Budget Act. Specifically, the proposed language would: 1) delay or repeal suspensions for certain supplemental payments for Medi-Cal providers supported by Proposition 56 tobacco tax revenue; 2) delay suspension of certain optional Medi-Cal benefits; 3) delay suspension of provisional post-partum extension of Medi-Cal eligibility; and 4) repeal suspension of screening, brief intervention, and referral to treatment (SBIRT) for opioids and other drugs.

This proposal was heard at the subcommittee's hearing on February 19th, 2021.

Subcommittee Staff Comment and Recommendation—Modify. While the Administration's proposed delay of the suspension of these critical programs would provide temporary respite from the threat to the health and well-being of program beneficiaries that these suspension represent, their continued existence in budget bill language and statute prevents the adoption of the type of provider behavior changes required to expand access to necessary care. As expanding access to care is one of the primary goals of the programs subject to suspension, maintaining these suspensions undermines these programs' effectiveness and reduces the effectiveness of a substantial investment of state resources. Subcommittee staff recommends the following alternative to the Administration's proposal:

- Adopt placeholder budget bill language to eliminate all program suspensions authorized in the Budget Act.

- Adopt placeholder trailer bill language to eliminate all program suspensions authorized in statute.

Issue 3: Expansion of Medi-Cal Eligibility Regardless of Immigration Status

Legislative Augmentation. The Governor's 2020-21 January budget included $80.5 million ($64.2 million General Fund) in 2020-21 to extend Medi-Cal eligibility for all individuals 65 and older regardless of immigration status, effective no sooner than January 1, 2021, including $5.9 million General Fund costs to the Department of Social Services for additional In-Home Supportive Services (IHSS) for this population. When fully implemented, this expansion of coverage would have resulted in annual costs of $350 million ($320 million General Fund), including $119.5 million of General Fund costs for IHSS.

Due to the estimated General Fund shortfall due to the COVID-19 pandemic, the 2020 Budget Act did not include the Governor's proposal to extend Medi-Cal eligibility to individuals 65 and older regardless of immigration status. However, the Legislature approved trailer bill language to prioritize full-scope Medi-Cal expansion to undocumented seniors in the upcoming budget if the Department of Finance determines there are sufficient General Fund revenues for that fiscal year and the ensuing three fiscal years to support the expansion.

Subcommittee Staff Comment and Recommendation—Augment. The trailer bill language approved by the Legislature in the 2020 Budget Act prioritized expanding full-scope Medi-Cal to undocumented seniors if sufficient General Fund revenues are available. The COVID-19 pandemic has made clear that when any California resident is denied access to health care, particularly California seniors, the health and well-being of all Californians can be put at risk. Subcommittee staff recommends the following actions:

- **Approve** expenditure authority of $84.5 million ($67.5 million General Fund and $17 million federal funds) for DHCS to expand full-scope Medi-Cal coverage to income-eligible individuals 65 years of age and older regardless of immigration status, beginning January 1, 2022.
- **Adopt placeholder trailer bill language** to do the following:

  - Expand full-scope Medi-Cal coverage to income-eligible individuals 65 years of age and older regardless of immigration status, beginning January 1, 2022.
  - Increase eligibility for full-scope Medi-Cal coverage for income-eligible individuals regardless of immigration status by one year of age every fiscal year, beginning with expansion to individuals age 26 in 2022-23.
  - Require DHCS and the Department of Finance to provide, by January 10, 2022, a fiscal and programmatic plan for expanding full-scope Medi-Cal to the remaining population ages 26 to 64 regardless of immigration status, within the subsequent five fiscal years.
- **Hold open** consideration of expanding eligibility for full-scope Medi-Cal coverage for the remaining undocumented population, ages 26 to 64 in the 2021-22 fiscal year. Upon receipt of updated fiscal estimates after the release of the May Revision, the subcommittee may wish to consider additional coverage expansions for this population, if sufficient General Fund resources are available.

4300 DEPARTMENT OF DEVELOPMENTAL SERVICES

Issue 4: Delay of Repeal of Funding for Specified Provider Rate Increases and the Uniform Holiday Schedule

Governor's Budget. DDS proposes to delay the suspension of additional funding provided in the 2019 and 2020 budgets for specified provider rate increases and the continued suspension of the Uniform Holiday Schedule until December 31, 2022. Rather than executing the suspension calculation this May (under current law), the Governor's budget proposes a new suspension calculation at May Revision in 2022. Specifically, the Governor proposes that the Legislature enact new suspension language that would give the Department of Finance (DOF) the authority to make this calculation again at the time of the May Revision in 2022.

This proposal was heard at the subcommittee's hearing on February 23, 2021.

Staff Comment and Recommendation – Modify. As with other issues proposed for suspension discussed in previous Subcommittee hearings, staff notes that the suspension language treats policies that are fundamentally ongoing as temporary and understates the true ongoing cost of the state's policy commitments. The suspension language creates uncertainty in these programs, creating uncertainty for the vulnerable individuals that the programs serve. Staff recommends the following alternative to the Administration's proposal:

- Adopt placeholder budget bill language to eliminate all program suspensions authorized in the Budget Act.

- Adopt placeholder trailer bill language to eliminate all program suspensions authorized in statute.

5180 DEPARTMENT OF SOCIAL SERVICES

Issue 5: Delay of Repeal of Funding for Restoration of the Seven Percent Cut to IHSS Service Hours

Governor's Budget. CDSS proposes to delay the suspension of funding to restore the seven percent cut to IHSS service hours until December 31, 2022. Rather than executing the suspension calculation this May (under current law), the Governor's budget proposes a new suspension calculation at May Revision in 2022. Specifically, the Governor proposes that the Legislature enact new suspension language that would give the Department of Finance (DOF) the authority to make this calculation again at the time of the May Revision in 2022.

This proposal was heard at the subcommittee's hearing on March 2, 2021.

Staff Comment and Recommendation – Modify. As with other issues proposed for suspension discussed in previous Subcommittee hearings, staff notes that the suspension language treats policies that are fundamentally ongoing as temporary and understates the true ongoing cost of the state's policy commitments. The suspension language creates uncertainty in these programs, creating uncertainty for the vulnerable individuals that the programs serve. Staff recommends the following alternative to the Administration's proposal:

- Adopt placeholder budget bill language to eliminate all program suspensions authorized in the Budget Act.

- Adopt placeholder trailer bill language to eliminate all program suspensions authorized in statute.

- Adopt placeholder trailer bill language to permanently restore the seven percent reduction to In Home Supportive Services (IHSS) hours and repeal language allowing for the reduction currently in statute.

Issue 6: Delay of Repeal of Funding for Various Children's Programs

Governor's Budget. CDSS proposes to delay the suspension of funding provided in the 2019 Budget Act for the programs listed below until December 31, 2022. Rather than executing the suspension calculation this May (under current law), the Governor's budget proposes a new suspension calculation at May Revision in 2022. Specifically, the Governor proposes that the Legislature enact new suspension language that would give the Department of Finance (DOF) the authority to make this calculation again at the time of the May Revision in 2022.

The programs proposed for funding suspensions include:

- Family Urgent Response System
- Foster Family Agency Rate Increase
- Emergency Child Care Bridge Supplement

- Child Welfare - Public Health Nurse Early Intervention Program

Staff Comment and Recommendation – Modify. Staff recommends the following alternative to the Administration's proposal:

- Adopt placeholder budget bill language to eliminate all program suspensions authorized in the Budget Act.

- Adopt placeholder trailer bill language to eliminate all program suspensions authorized in statute.

ISSUES FOR DISCUSSION

0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

Issue 1: Spring BCP - Child Welfare Services – California Automated Response and Engagement System

Spring Finance Request. The Office of Systems Integration (OSI) requests $128.5 million ($68.1 million General Fund) for project resources in combined funding with the California Department of Social Services (CDSS) for 2021-22 to continue the development and implementation activities of the Child Welfare Services – California Automation Response and Engagement System (CWS-CARES).

Background. The current Child Welfare Services/Case Management System (CWS/CMS), which was initially implemented in 1997, is used by more than 20,000 county and CDSS workers to serve and protect the health and safety of children, youth, and families in California. The existing CWS/CMS is not compliant with federal and state laws, regulations, or policies. In November 2015, an agile procurement and development approach to iteratively develop and implement a new solution to replace the CWS/CMS was adopted. This was a custom development approach that required reassessment due to the length of time it was taking to build CWS-CARES.

In August 2018, the Child Welfare Digital Services (CWDS) began extensive research to identify ways to accelerate the development of the replacement system. The research resulted in a decision to change the current development approach to use a Platform-as-a-Service (PaaS), which would allow CWDS to focus on core business needs rather than platform development and maintenance within the infrastructure. In September 2019, the project received approval from the California Department of Technology (CDT) to use Salesforce as the project's PaaS. The research indicated that the development in Salesforce will yield better and faster results while retaining key principles foundational to success such as directly involving county partners, utilizing user-centered design, and configuring/developing in an agile, iterative way.

The CWS-CARES project focused on planning efforts during 2019-20 and is in the process of transitioning from planning to design, development and implementation (DD&I) in 2020-21. Additional funding for DD&I is required for 2021-22. As part of this process, the project has also submitted Special Project Report (SPR) #4 to CDT. The request for additional county and vendor resources will allow the CWS-CARES Project to align with the Salesforce and CDI configuration/development approach and support ongoing project efforts to replace the existing CWS/CMS. The additional funding will also enable the project to adhere to the agreements made regarding the CWS-CARES Path Forward document amongst the governance entities and state oversight.

Staff Comment and Recommendation. Hold open.

5180 DEPARTMENT OF SOCIAL SERVICES

Issue 1: Spring BCP – CWS-CARES Project Staff Resources

Spring Finance Request. The CDSS requests $1.3 million ($953,000 General Fund) per year for a five-year extension of eight existing limited-term positions. These positions are set to expire on June 30, 2021. The requested resources would extend the positions until June 30, 2026. Staff resources are needed to support the development and implementation of the Child Welfare Services - California Automated Response and Engagement System (CWS-CARES) and the continued planning, design, and development, transitioning into maintenance and operation.

Ba**ckground.** The staff resources were originally approved in 2013-14, and funding for these positions was extended to June 30, 2019 in the 2014 Budget Act. The 2019 Budget Act extended these positions for an additional two years until June 30, 2021. In November 2015, the CWS-CARES Project modified its procurement, design, development, and implementation approach after discussions with the state and federal control agencies. Rather than releasing a large multi-year request for proposal, estimated to cost several hundred million dollars, the CWS-CARES Project adopted a modular procurement approach coupled with agile design and development techniques to deliver the CWS-CARES Project incrementally. In August 2019, the CWS-CARES Project pivoted its approach and returned to the planning stage. The CWS-CARES Project is currently moving forward with a Customer Relationship Management platform service delivery model.

According to CDSS, the extension of the resources requested is necessary to support the development and implementation of the CWS-CARES. CDSS requires program staff that will work collaboratively with and support the work of the Office of Systems Integration (OSI) by providing necessary program information during user research, design, development and implementation, as well as ongoing Maintenance and Operations (M&O) activities. CDSS worked with the OSI to develop a staffing model to support OSI throughout the life of the CWS-CARES Project. The program staff resources are required to ensure that CDSS' expertise, needs, and input are integrated into all phases of the project.

Staff Comment and Recommendation. Hold open.

Questions.

1. What is the overall plan for the deployment of the different modulation and the timeline for the completed project?

2. Will permanent positions be needed to maintain and update the CWS-CARES project in the future?

Issue 2: Spring BCP – Statewide Verification Hub Staffing Resources

Spring Finance Request. The CDSS requests $5.3 million ($531,000 General Fund) in 2021-22, and $1.7 million ($169,000 General Fund) annually thereafter to support 9.5 positions and contracting services to continue the planning, design, development, and implementation of the Statewide Verification Hub (SVH).

Background. The California Health and Human Services (CHHS) Agency seeks to streamline and modernize the processes of obtaining required eligibility verifications for means-tested human services programs, improve accuracy of benefit calculation, improve client experience, enhance reporting capabilities, and simplify the verification process across departments and programs.

Current eligibility determinations for CalFresh, California Work Opportunity and Responsibility to Kids (CalWORKs), Early Learning Childcare (ELC) and Medi-Cal are made by county welfare departments or contracted entities at initial application, periodic reporting, and annual recertification/redetermination. Eligibility may also be reassessed during the certification period based on either client self reporting or other information received by the county or its designee, if a change in client circumstance is indicated. At initial application and recertification/redetermination, an eligibility determination for CalFresh, CalWORKs and Medi-Cal requires three key steps: application, interview, and verification. Under federal and state rules, all relevant programmatic eligibility information must be verified. According to CDSS, current methods for collecting verifications are time consuming and rely on data from multiple sources, some of which are outdated or difficult for the recipient and county to either access or obtain. Verifications may be obtained from disparate sources—including state and county data systems, federal data systems, the client themselves, and various third-party vendors. A single form of verification, such as periodic earned income, might be provided in a variety of potential formats— including a regular file, a paper pay document, or a scan or photo uploaded from a mobile device. This creates challenges both from a data management and storage perspective, as well as from perspective of the logistics for both obtaining and validating the information.

The CHHS Agency, along with the CDSS and the Department of Health Care Services (DHCS) recognize the challenges with both the electronic and paper processes currently used to complete the required verifications for CalFresh, CalWORKs, ELC and Medi-Cal. The SVH was developed to address the cumbersome process of mediating between structured and unstructured data, improve the integrity of the data used and retained, enhance reporting capabilities, reduce incidence of erroneous identity resolution, and reduce the quantity and dollar volume of over-issuance/overpayment claims. The creation of a centralized hub provides a solution that can be leveraged by multiple means-tested human services programs administered by CHHS. The vision of the SVH is as an agency-wide IT solution that will improve California families' access to services by streamlining and modernizing the process for required verifications for many CHHS means-tested programs, enhancing client access/experience, and providing real-time information on application progress, all while preserving Californians' privacy and security. The goal of this effort is to develop a human-centered solution, giving the client access to household, case or client historical verification information via a trusted, authenticated portal, and to ensure that the solution is made in a way that can be leveraged by other means-tested human services programs.

Staff Comment and Recommendation. Hold open.

Issue 3: Senate Budget Options – Aging Issues

Senate Budget Option. The Senate is considering the following proposals related to aging issues:

- Provide $150 million over three years for a pilot program that would afford operating subsidies to Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFEs) that serve residents who receive State Supplementary Program (SSP) payments. This budget proposal supports SB 648 (Hurtado).

- Maintain current IHSS collective bargaining mechanisms. The proposal would maintain two funding mechanisms (discussed below) that will help to make progress on IHSS collective bargaining. This reflects a proposal put forth by SEIU California, UDW/AFSCME Local 3930, the California Association of Counties, the California Association of Public Authorities, and other organizations heard during the Subcommittee's March 2, 2021 hearing. For more detail on this proposal, please refer to the March 2 hearing agenda.

- Fiscal penalty for IHSS counties failing to bargain in good faith. This reflects a proposal put forward by UDW/AFSCME 3930 and SEIU heard during the Subcommittee's March 2, 2021 hearing. For more detail on this proposal, please refer to the March 2 hearing agenda.

Note that other aging issues are included in other departments. Those other proposals include the ones listed below and will be discussed at other Subcommittee hearings.

- Eliminate the funding suspension in CDA senior nutrition programs and provide $35 million ongoing for those programs.

- Eliminate the funding suspension for ADRCs and provide ongoing funding for the statewide ADRC network.

- Provide ongoing funding to support the Dignity at Home Fall Prevention Program and make it permanent.

- Provide one-time funding to bridge the digital divide and provide additional tablets and other devices to older Californians.

- Provide baseline ongoing funding for Area Agencies on Aging.

- Expansion of CalAIM meal-related benefits.

ARF/RCFE Background. Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFEs), commonly referred to as board and care or assisted living facilities, are licensed by the DSS Community Care Licensing Division (CCLD). The facilities are typically privately operated and serve individuals with varying needs. How individuals pay for these facilities varies as do how much the facilities charge. Some individual's care is paid for through public assistance programs such as SSI/SSP. The state provides a supplement to SSI/SSP grants known as the Non-medical Out of Home Care (NMOHC) rate. This rate is intended to support SSI/SSP recipients who require additional care. As of January 2021, the maximum SSI rate with the NMOHC supplement is $1,217.37 per month for an individual. $1,079.37 of that amount would go to the facility and the resident would keep the remainder. The amount paid to the facility is meant to cover a resident's room and board and overall care and supervision. Facilities are not permitted to charge individuals receiving SSI above the state-mandated rate. In past hearings, the Subcommittee has heard testimony that state-mandated rate is not sufficient for these facilities to maintain operations. The above proposal would provide operating subsidies to these facilities to help keep them in operation.

IHSS Collective Bargaining. Under current law, counties and the state share the nonfederal cost for locally negotiated increases to wages and health benefits for IHSS providers. Counties are responsible for 35 percent of the nonfederal share and the state participates in 65 percent of the nonfederal share of cost for increases up to the state participation cap, which is set at $1.10 above the state minimum wage. For increases above that amount, the county is responsible for 100 percent of the nonfederal share. However, there is a tool available, referred to as the ten percent over three years tool, that allows the county to receive state participation above the state participation cap. With this tool, the state will participate above the state participation cap at the 65 percent share of cost in a cumulative total of up to a 10 percent increase in the sum of the combined total of changes in wages or health benefits, or both, over a three-year period.

On January 1, 2022, current law will alter these funding mechanisms in a manner that will make it more difficult to make progress on IHSS collective bargaining. First, the sharing ratio will flip, with the county becoming responsible for 65 percent of the nonfederal share and the state covering 35 percent of the nonfederal share. Second, the ten percent over three years tool will no longer be available, as current law indicates that any use of this tool must begin prior to January 1, 2022. Maintaining the current tools will be essential for further progress in local bargaining over wage and benefit increases.

The 2019 Budget Act instituted a fiscal penalty on counties who failed to bargain in good faith. That penalty was a one-time withholding of 1991 Realignment funding equal to one percent of the county's 2018-19 IHSS MOE. Additionally, the budget enacted mandatory mediation and fact-finding provisions. All of these provisions expired on January 1, 2021. While there has been progress in achieving new contracts, many contracts will expire in 2021 and 2022. Without a fiscal penalty it is feared that it will be difficult to reach new contracts.

Staff Comment and Recommendation. Hold open.

The sustainability of ARFs and RCFEs has been a topic of concern within the Subcommittee, and the Legislature as a whole, over the past several years. There is a diminishing supply of ARFs and RCFEs that accept SSI/SSP recipients. Since 2019, the capacity at ARFs and RCFEs for SSI/SSP recipients has decreased by about 2,000. This loss of capacity has been attributed to the low SSI/SSP rate and increasing value of real estate, coupled with the other costs associated with operating 24-hour residential facilities. The shrinking capacity for SSI/SSP recipients, combined with California's homelessness problem and the overall effects of the COVID-19 pandemic raises concerns that this important housing option will disappear for thousands of needy Californians.

Panel. The Subcommittee has requested the following panelists to provide comments on these proposals.

- Leza Coleman, Executive Director, California Long-Term Care Ombudsman Association (CLTCOA)

- Justin Garrett, California State Association of Counties

- Beverly Yu, State Government Affairs Director, UDW/AFSCME Local 3930

Questions.

For Leza Coleman:

1. Please provide your perspective on how the proposal to provide operating subsidies to ARFs and RCFEs will impact SSI/SSP recipients.

For Justin Garrett:

2. Please discuss the how maintaining current collective bargaining mechanisms will impact progress on collective bargaining across the state.

For Beverly Yu:

3. Please discuss how enacting a fiscal penalty on counties will create progress on reaching collective bargaining contracts.

Issue 4: Spring BCP – Family First Prevention Services Act State-Level Resources

Spring Finance Request. The CDSS requests $3.2 million ($2.3 million General Fund) in 2021-22 and $2.6 million ($1.9 million General Fund) annually thereafter for seven permanent positions and contract funding to support California's compliance and participation in the prevention services program authorized by Part I of the federal Family First Prevention Services Act (FFPSA). The requested resources include four Associate Governmental Program Analysts (AGPAs), two Staff Services Managers I (SSM Is), one Attorney IV, and $1.4 million General Fund for 2021-22 ($970,000 General Fund ongoing) in contracted support.

Note that the January Governor's budget includes $42.7 million General Fund for the implementation of the federal FFPSA, which reflects an October 2021 implementation date. The budget also includes trailer bill language for this purpose.

Background. Historically, prevention services and programs have been significantly underfunded. Annually, through the Child Abuse Prevention and Treatment Act and the Preserving Safe and Stable Families program, CDSS and counties have less than $25 million available statewide to spend on prevention and early intervention services. When families come to the attention of Child Welfare Services, some counties are able to offer in-home Family Maintenance (FM) services aimed at keeping the child with the family and may also be offered services after Family Reunification as a support to ensure the safety of the child upon return to their family's care. The FM services can mitigate the trauma that both children and parents experience when children are removed from their homes and placed into foster care. Counties' ability to offer these services is varied, and some have been unable to provide any type of FM services at all. The FFPSA provides an opportunity for California to expand on the efforts of current FM programs and establish a robust prevention program that includes multiple prevention strategies, adding critical components to the system of care.

Part I of the FFPSA provides an opportunity for participating Title IV-E agencies to draw down federal Title IV-E funds for prevention services aimed at keeping children and youth from entering or re-entering foster care. Eligible prevention services include qualifying substance abuse services, mental health services, and in-home parenting skills programs. Eligible programs must be trauma informed, evidence-based, and included in the state's five-year Prevention Plan which must be submitted and approved by the federal Administration for Children and Families (ACF) in order for county child welfare, probation, and Title IV-E Tribes (tribes with a Title IV-E agreement with the state) to participate in the program and draw down Title IV-E funds for prevention services.

The State's five-year Prevention Plan and the proposed prevention program it outlines must include the following details: the specific evidence-based, trauma-informed prevention programs and services to be utilized, including how the state selected the services; the services' target population(s); and whether the programs and services are promising, supported, or well supported, as defined. The requested positions will help to ensure compliance with these federal requirements. The state also requires expertise to convene decision-makers from system of care partners such as state departments, local education partners and to provide technical assistance to county child welfare agencies. Contracting funds are requested to hire vendors to establish quality improvement measures, develop curriculums, and evaluate the efficacy of the interventions.

Staff Comment and Recommendation. Hold open.

Questions.

1. How will the state's rollout plan affect counties that previously had a waiver to use IV-E funds for prevention services? Will they be able to maintain the level of prevention services that they have been able to provide in the past?

Issue 5A: Senate Budget Options – Strengthening the Safety Net (Child Welfare/Foster Care)

Senate Budget Option. The Senate is considering the following proposals to strengthen the safety net, relating to the child welfare and foster care systems:

- Provide funding for placements for high-needs youth across the state.
- Provide ongoing funding for county-administered child welfare prevention services. This reflects a proposal put forth by the County Welfare Directors Association and heard during the Subcommittee's February 16, 2021 hearing.

- Fund a pilot program to provide a universal basic income for transition-age youth. This proposal would fund SB 739 (Cortese).

- Approve funds to provide COVID relief for Short-term Residential Therapeutic Programs (STRTPs). This reflects a proposal put forth by the California Alliance of Child and Family Services and heard during the Subcommittee's February 16, 2021 hearing.

Background. In 2015, the Continuum of Care Reform (CCR), (Assembly Bill 403 (Chapter 773, Statutes of 2015)), provided the statutory framework to ensure services and supports are focused on maintaining stability for foster youth in a permanent home and reducing the use of congregate care facilities. While the state has implemented several reforms to avoid placing youth in restrictive environments and into family settings, there is still more that can be done to ensure that youth in the system receive the support that they need, and to prevent entry into the foster care system in the first place. Of particular concern are youth with high needs, whose needs are not being met within California. In December 2020, the department notified the Joint Legislative Budget Committee of its unanticipated need for additional funding due to the decertification of out-of-state facilities and the need to quickly relocate returning foster youth from out-of-state care. However, additional ongoing funding will likely be needed to serve these youth and youth with similar needs that may have been sent out of state in the future had the department not decertified all out-of-state facilities.

Staff Comment and Recommendation. Hold open.

Panel. The Subcommittee has requested the following panelist to provide comments on this issue.

- Jennifer Rodriguez, Executive Director, Youth Law Center

- Veronica Vierya, Former Foster Youth

Questions.

For Jennifer Rodriguez:

1. Please discuss investments that the state can make to better serve youth with specialized needs, such as youth who have previously been sent out-of-state for treatment, and prevent youth from entering the foster care system if it can be avoided.

For Former Foster Youth:

1. Please discuss the impact of having a basic income once exiting from the foster care system can have on former foster youth.

Issue 5B: Senate Budget Options – Strengthening the Safety Net (Food Assistance Programs)

Senate Budget Option. The Senate is considering the following proposals to strengthen the safety net, relating to food assistance:

- Provide additional support for food banks to meet increased needs due to the continued impacts of the COVID-19 pandemic. This reflects proposals put forth by the California Association of Food Banks and heard during the Subcommittee's February 9, 2021 hearing.

- Expand access to the California Food Assistance Program (CFAP) to service Californians regardless of immigration status. This proposal supports SB 464 (Hurtado) and was heard during the Subcommittee's February 9, 2021 hearing.

Background. Before the COVID-19 pandemic, millions of Californians (about 1 in 10) were experiencing food insecurity. The pandemic and resulting economic crisis are exacerbating hardship across the state. Despite recent federal and state interventions, recent data show that overall food insecurity has spiked to more than 25 percent of California households – that is approximately 10 million people since the COVID pandemic began. While some low-income Californians have been helped by federal relief programs and/or CalFresh, many immigrants have been left out of relief measures solely due to their immigration status. Undocumented immigrants, DACA recipients, Temporary Protected Status (TPS) holders, and certain visa holders are excluded from federal CalFresh and the state-funded California Food Assistance Program (CFAP). This exclusion forces immigrant households to make choices between buying groceries or covering the cost of rent, utilities, and other basic needs. Likewise, it limits excluded immigrants' and their children's ability to achieve economic security and mobility — deepening racial disparities and slowing our economy's recovery from this and future recessions. The exclusion of these immigrants from federal relief and CFAP has also put a strain on food banks, as that is one of the few places they can go to receive food assistance.

Staff Comment and Recommendation. Hold open.

Staff notes that the Supplemental Report of the 2018-19 budget required the CDSS to convene a stakeholder workgroup "to identify how the State and local entities can improve current programs and coordinate linkages to community services to strengthen California's food assistance safety net for all low-income Californians, and work to remove barriers that exclude immigrant Californians from the State's food assistance safety net." One of the workgroup's recommendations was to expand the CFAP to all, regardless of immigration status.

Panel. The Subcommittee has requested the following panelist to provide comments on this issue.

- Jared Call, Senior Advocate, Nourish California

Questions.

For Jared Call:

1. How has the pandemic increased food insecurity across the state?

2. What impact will this proposal have on increasing food security among immigrant, low-income Californians?

Issue 5C: Senate Budget Options – Strengthening the Safety Net (Cash Assistance Programs)

The Senate has asked the Legislative Analyst's Office to present the following proposal.

Senate Budget Option. The Senate is considering the following proposals to strengthen the safety net, relating to the state's cash assistance programs:

CalWORKs

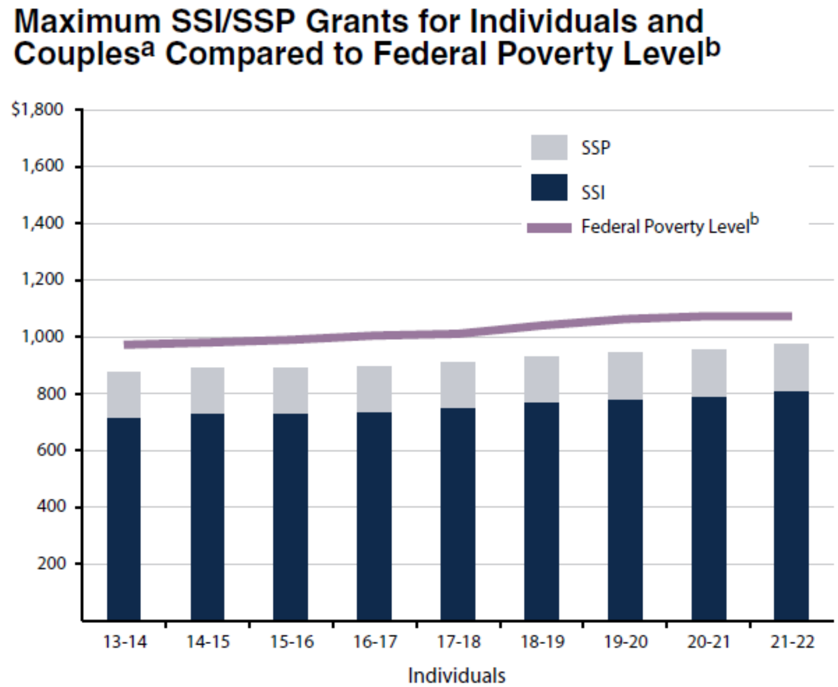
- Increase CalWORKs grants to take the final steps in meeting the longtime Senate priority of "no child in deep poverty." This proposal would increase CalWORKs grants to 50 percent of the Federal Poverty Level (FPL) for a family that is one person larger than the assistance unit size. Note that the Governor's budget proposes a 1.5 percent increase to CalWORKs grants. The proposal the Senate is considering would increase grants above what is proposed in the Governor's budget.

SSI/SSP

- Restore the Cost-of-Living Adjustment (COLA) and past cuts to the SSP program.

Background. The Senate has recognized the deep, devastating impact living in poverty can have on children and families. Poverty affects children in many ways. Children living in poverty not only experience hunger and instability but other less obvious effects such as behavioral problems and social and emotional development difficulties. As a result of that recognition, the Senate has committed to increasing grants for CalWORKs recipients so no child lives in deep poverty. The 2018 budget included language stating the intent of the Legislature to provide future grant increases so that grants are no less than 50 percent of the FPL.

Another state program that aims to address poverty is the State Supplementary Payment (SSP) program. The SSP is a supplement to the Supplemental Security Income (SSI) program administered by the federal government. Until 2011, the state provided a statutory Cost-of-Living Adjustment (COLA) for the SSP. As part of the 2016-17 budget package, the Legislature provided a one-time COLA of 2.76 percent on the SSP portion of the grant, the first since 2005. But the state has not provided a COLA for SSP since then. California has a high cost of living relative to other states. The SSP is supposed to keep elderly individuals and people with disabilities who receive SSI from falling into poverty. But cuts to the SSP and the repeal of the Cost of Living Adjustment (COLA) due to the last recession have pushed more than 1 million Californians into poverty. The graph below, provided by the LAO, shows that the maximum SSI/SSP grants for individuals are below the federal poverty level.



Staff Comment and Recommendation. Hold open.

Panel. The Subcommittee has requested the following panelist to provide comments on this issue.

- Mike Herald, Director of Policy Advocacy, Western Center on Law and Poverty

Questions.

For Mike Herald:

1. Please describe the impact of poverty in California, and how the above proposals will help to address poverty and its devastating effects.

Issue 6: Spring BCP – Community Care Expansion Program

Spring Finance Request. The CDSS requests three-year limited-term resources to administer the Community Care Expansion (CCE) program. The requested resources include $1.4 million General Fund in 2021-22, and $797,000 General Fund in 2022-23 and 2023-24. The requested funds would support two Associate Governmental Program Analysts, one Staff Services Manager I, one Staff Services Manager I Specialist, one Staff Services Manager II, and $500,000 in contract funding for technical assistance and evaluation services to support acquisition and rehabilitation of Adult Residential Facilities (RCFs) and Residential Care Facilities for the Elderly (RCFEs).

Background. The January Governor's budget proposed $250 million in one-time funding, over three years, to expand and preserve ARFs and RCFEs and Residential Care Facilities for the Chronically Ill (RCFCIs) via the CCE program. According to CDSS, the goals of the CCE are to create new assisted living settings that can serve people experiencing homelessness, with a focus on seniors and those with behavioral health conditions, as well as to stabilize existing settings that serve people at risk of homelessness through capital investments and rehabilitation. The CCE will leverage significant investments by local governments to provide enhanced services in assisted living settings to meet the needs of this population.

To effectively manage the resources proposed in the Governor's budget, CDSS will be responsible for programmatic oversight, licensure of newly established facilities, and the overall administration of the program. To support these activities CDSS requests resources to administer the program from the $250 million funding proposal included in the 2021-22 Governor's Budget. CDSS requests contract funding of $500,000 for technical assistance and evaluation services. Technical assistance will support counties and tribes to develop gap analyses and implement successful capital fund disbursement infrastructure. Evaluation funding will support monitoring facility creation and preservation efforts.

In addition to the request for the Community Care Expansion Program, CDSS requests one three-year limited-term Staff Services Manager I-Specialist for the continued operation of the state's Project Roomkey and Rehousing Strategy. Project Roomkey was established in response to the COVID-19 pandemic to provide non-congregate shelter options such as hotels, motels, or self-contained trailers for people experiencing homelessness to protect human life and minimize strain on the capacity of the health care system. This role is needed to further lead the data collection efforts, which now include mandated data reporting on Rehousing efforts. In addition, technical assistance from the state is required for 55 counties and three tribes that are currently operating Project Roomkey sites. The requested resources will support programs in leveraging FEMA reimbursement; conducting statewide collaboration efforts to share best practices and emerging guidance with local partners; and responding to daily stakeholder requests, which include requests from the Governor's Office, advocates, and the media.

Staff Comment and Recommendation. Hold open.

Issue 7: Senate Budget Options – Housing

The Senate has asked the Legislative Analyst's Office to present the following proposal.

Senate Budget Option. The Senate is considering a proposal to provide one-time funding for a flexible funding pool to be used for county-administered housing programs. This reflects a proposal put forward by the County Welfare Directors Association heard in the Subcommittee's February 9, 2021 hearing.

Note that the Senate's broader Homelessness, Housing Affordability, and Homeownership proposals, of which the above proposal is a component, were discussed in Subcommittee No. 4.

Background. Homelessness continues to be one of the most growing and unremitting problems in California and has been exacerbated even further by the COVID-19 pandemic. There is a clear need for more resources, and a shift towards more preventative strategies and flexible uses of funding targeted towards the most vulnerable individuals in the state. Recent state budgets have provided local jurisdictions with historic levels of funding to address homelessness. Despite these investments, the state's homelessness population has remained high. The Senate has proposed a $20 billion investment with a focus on supporting local governments, helping individuals transition from homelessness to permanent housing, and creating new housing units for homeless individuals. The above proposal is a component of that larger plan.

The CDSS administers various housing programs for populations that are homeless or at-risk of homelessness and that are served by programs such as Adult Protective Services, CalWORKs, Child Welfare Services and Foster Care, and others. These safety net programs serve some of the most vulnerable populations in California, an increasing number of whom are housing insecure and/or homeless and who are often left out of other, larger solutions related to housing and homelessness. The current CDSS-administered housing programs, while very successful, are limited in the services they can provide, and participants often have to already be homeless or about to be evicted in order to receive services. The proposal would allow counties to fund additional services such as assistance in obtaining or maintaining housing, working with landlords on housing availability, and legal assistance for individuals to fight illegal evictions.

The above proposal is meant to ensure that there is a targeted housing investment for low-income families, child-welfare involved families, older adults who have been abused, neglected or exploited, and single adults with disabilities, and that they are not left out of the very welcome, but more general, statewide solutions on homelessness and COVID-19.

Staff Comment and Recommendation. Hold open.

Panel. The Subcommittee has requested the following panelist to provide comments on this issue.

- Eileen Cubanski, Director of Budget and Fiscal Policy, County Welfare Directors Association

Questions.

For Eileen Cubanski:

1. Please describe the impact of this proposal on addressing homelessness among at-risk populations served by other county-administered welfare programs.

Issue 8: Spring BCP – Whole Child Integration and Data Development Support

Spring Finance Request. The CDSS requests $1.7 million General Fund in 2021-22 and $1.5 million annually thereafter to support nine positions to help implement the department's whole child approach to child care and development.

Background. The Early Childhood Development Act of 2020 transfers several childcare programs from the California Department of Education (CDE) to CDSS. This transfer supports the implementation of a high-quality, affordable, child care and development system designed to comprehensively and effectively serve children and families. Following enactment, CDSS and CDE have been involved in collaborative work and stakeholder engagement to support a smooth transfer and to support the implementation of these goals. The Master Plan on Early Learning and Care (Master Plan) was also released on December 1, 2020.

The request for resources supports the integration of child care programs transferring from CDE into CDSS' existing programs and correlates with the objectives outlined in the Early Childhood Development Act of 2020 and the State's Master Plan on Early Learning and Care. The request includes the following positions within various divisions of CDSS:

- Community Care Licensing Division. The CDSS CCL Child Care Program requests one Staff Services Manager (SSM) I and four Associate Governmental Program Analysts (AGPAs), to establish the Whole Child Integration and Collaboration Unit. This Unit will work collaboratively with the new Child Care and Development Division, and the Research and Data Division to design, develop, and implement a shared vision of quality and equity across mixed delivery systems.

- Research Automation and Development Division. CDSS requests conversion of one SSM II Specialist to a permanent position. According to CDSS, there is an increased and ongoing need for dedicated resources to address program integrity requirements specific to child care and to provide oversight of all data management and IT system consolidation, coordination, and implementation. The SSM II Specialist will act as an implementation manager for child care and development programs, the Pre-School Development Grant Renewal (PDG-R), and child care program-related data management activities and technical systems and platform solutions.

- Legal Division. CDSS requests one Attorney IV in the Children and Community Care Licensing Policy Litigation Branch (CCCL) to provide legal services in support of the integration between Child Care and Development programs and Community Care Licensing. CDSS requests one Attorney III in the Information, Technology and Administrative Litigation Branch (ITAL), to provide guidance and advice on information technology and data initiatives, be responsible for advising on complex state and federal information security and privacy laws, and support the proper collection and distribution of data through the execution of Data Sharing Agreements. CDSS requests one AGPA in the Administrative Legal Services Branch to provide complex administrative support.

Staff Comment and Recommendation. Hold open.

Issue 9: Spring BCP – Child Care and Development Program Support

Spring Finance Request. The CDSS requests $9.2 million ($8.7 million General Fund) for 50 permanent positions to support the department's responsibilities, services, and systems for childcare programs. The department also requests authority for 20 positions associated with funding the move from the Department of Education (CDE) to CDSS.

Background. As discussed in previous issues, the Early Childhood Development Act of 2020 transfers several childcare programs from the CDE to CDSS. According to CDSS, the requested positions are necessary to support the successful transfer and administration of childcare programs, as well as the transfer of staff, at CDSS. The transfer of the CDE staff to CDSS and the creation of the Child Care and Development Division will bring another 185 staff to CDSS.

Division/Unit	Number of positions	Purpose
Child Care and Development Division	18	Create a new division that will oversee 16 childcare and development programs.
Child and Adult Care Food Program	3	Program helps support access to nutritious meals
Legal Division	8	Support workload associated with the acquisition of responsibilities for more new programs and transferring staff.
Research Automation and Development Division	5	Support research and program integrity requirements.
Administration Division	9	Support fiscal workload associated with the transfer of staff and programs from CDE.
Health, Safety, and Security Team	7	Follow-up on workplace incident reports and take appropriate action.

As part of the proposed 2021-22 Governor's Budget, funding was included for 20 administrative positions, without corresponding position authority. The department requests position authority to align with the funding proposed in the 2021-22 Governor's Budget.

Staff Comment and Recommendation. Hold open.

PROPOSALS FOR INVESTMENT

The Subcommittee has received the following proposals for investment related to the child welfare programs within the DSS. Note that proposal sponsors provided all information below, aside from staff comments and recommendations. Staff recommends all proposals be held open.

1. Increased funding for 36 CalWORKs Indian Health Clinic Mental Health and Substance Abuse behavioral health program sites

Budget Issue. The California Rural Indian Health Board, Inc. (CRIHB) requests $3.6 million General Fund ongoing to support mental health and substance abuse services at Indian Health Clinics.

Background. The loss of funding during the recession of 2008-09 has caused progressively increasing damage to the program integrity due to the scope of mandated Memorandum of Understanding (MOU) activities, lack of administrative support, staff recruitment difficulties, and no cost of living adjustment in the past 13 years. The cost of housing alone has increased significantly statewide and qualified staff are difficult to retain. It is more urgent now for the CalWORKs IHC behavioral health program to have adequate funding to address the COVID-19 exacerbation of needs in Native American communities. This is caused by job losses, school closures, family stressors, isolation, food insecurity, and instability. The program must help to address the needs for mental health and substance abuse services and urgent referrals to meet the family's needs. According to CRIHB, providing adequate program funding to Indian Health Clinics necessary to execute the mandatory services required in the MOU. This will assist with supporting the program integrity reduced during the funding reduction of 2008-09.,

Staff Comment and Recommendation. Hold open.

The 2021 Governor's budget proposes $1.9 million to fund these services at 36 Indian Health Clinic sites.

2. Establishment of Equity Corps for COVID-19 Outreach and Recovery

Budget Issue. The Advancement Project California requests $300 million General Fund one-time to establish and fund an Equity Corps.

Background. The communities most impacted by COVID-19 are low-income communities of color across the state – primarily Black, Latinx, Pacific Islander, and Native and Indigenous communities. Even before the pandemic, many of them were already struggling with historical disinvestment from health infrastructure, displacement and housing instability, and an inherited unhealthy built environment. Community based organizations (CBOs) and county staff have been doing heroic work to support these communities by meeting their basic needs and fully participating in economic and political life while weathering the epidemic, complementing the state and local governments' efforts. However, much of this work is unfunded when many CBOs face financial challenges from the recession while increasing community needs push them to expand their support and services.

Equity Corps efforts would include providing vital public health information around ongoing case surges, vaccine access, and the reopening of schools and businesses, as well as connecting residents to resources to help them meet their basic needs through the end of the pandemic and the recovery. Besides supporting the hardest-hit communities as they recover and rebuild from the pandemic, this program would also create jobs for residents in these communities and ensure that resources are flowing directly to the communities where they can make the most significant difference.

Staff Comment and Recommendation. Hold open.

3. Resources for County Public Administrators, Public Guardians, and Public Conservators

Budget Issue. The California Association of Public Administrators, Public Guardians, and Public Conservators (CA|PA|PG|PC), the California State Association of Counties, and the County Welfare Directors Association of California request $120 million ongoing to support PA|PG|PC programs.

Background. PA|PG|PC programs are appointed by superior courts to serve adults in every California county who are unable to act in their own best interests as a result of serious mental illness, cognitive impairment, or death. Oftentimes, these individuals are referred while experiencing homelessness. Operating since the 1960s without any state or federal funding – but heavily impacted by legislative initiatives and court decisions – California's dedicated PA|PG|PC public servants are now stretched to the limit. For the past several years, PA|PG|PC programs have been operating at full capacity and are struggling to meet the growing needs of their communities. Currently, PA|PG|PC programs are short staffed by more than 50 percent, and target populations served by these programs have grown approximately 30 percent in just the last five years. While a majority of health and social services programs were realigned from the state to counties in either 1991 or 2011 (with dedicated statewide tax revenues and mandate protections), PA|PG|PC services were not included and so are supported entirely by county revenues. The requested $120 million ongoing in state resources would assist counties in caring for individuals who cannot care for themselves and are at-risk of victimization and personal harm.

Staff Comment and Recommendation. Hold open.

4. Investment for Statewide Diaper and Wipe Distribution

Budget Issue. SupplyBank.org requests $10 million General Fund one-time to expand the Diaper Bank Program statewide to serve the 50 counties not currently served by the program.

Background. Prior to the pandemic, an insufficient supply of diapers to keep babies clean and dry, afflicted one out of three mothers in the United States. Diapers for one child can cost up to $80 a month, making diapers the third or fourth greatest cost burden for many families on CalWORKs after rent, food and sometimes transportation. With a pre-pandemic average of 40,000 emergency room and inpatient visits related to diaper need annually in California, this issue causes severe health consequences for infants and toddlers and significant costs to the state. Diapers are also a requirement for most childcare providers, making diaper need a barrier to affordable childcare and thus employment.

The requested resources will build upon the existing Diaper Bank Program established by the Legislature in 2018 to provide a statewide reach through existing efforts in 50 counties administered by SupplyBank.Org and their partners. SupplyBank.Org currently has ongoing distributions of diapers and other materials in all counties as part of their response to COVID-19. Their pre-COVID model that would resume in conjunction with this program integrates the distribution of diapers and wipes into existing programs within each respective county's safety net.

Staff Comment and Recommendation. Hold open.