

# SUBCOMMITTEE NO. 3

# Agenda

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



## Part B: Human Services May Revision Issues

Thursday, May 16, 2024  
Upon Call of the Chair  
1021 O Street – Room 1200

Consultant: Elizabeth Schmitt

<u>Item</u>	<u>Department</u>	<u>Page</u>
<b>4100 STATE COUNCIL ON DEVELOPMENTAL DISABILITIES</b> .....		3
ISSUE 1: STATE COUNCIL ON DEVELOPMENTAL DISABILITIES – MAY REVISION OVERVIEW .....		3
<b>4170 CALIFORNIA DEPARTMENT OF AGING</b> .....		4
ISSUE 1: CALIFORNIA DEPARTMENT OF AGING - MAY REVISION SOLUTIONS .....		4
ISSUE 2: CALIFORNIA DEPARTMENT OF AGING – MAY REVISION OVERVIEW .....		5
<b>4300 DEPARTMENT OF DEVELOPMENTAL SERVICES</b> .....		6
ISSUE 1: DEPARTMENT OF DEVELOPMENTAL SERVICES - MAY REVISION SOLUTIONS .....		6
ISSUE 2: DEPARTMENT OF DEVELOPMENTAL SERVICES – MAY REVISION OVERVIEW.....		8
ISSUE 3: DEPARTMENT OF DEVELOPMENTAL SERVICES – MAY REVISION TRAILER BILLS .....		13
<b>4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT</b> .....		14
ISSUE 1: DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT – MAY REVISION OVERVIEW .....		14
<b>5160 DEPARTMENT OF REHABILITATION</b> .....		15
ISSUE 1: DEPARTMENT OF REHABILITATION – MAY REVISION OVERVIEW .....		15
<b>5175 DEPARTMENT OF CHILD SUPPORT SERVICES</b> .....		16
ISSUE 1: DEPARTMENT OF CHILD SUPPORT SERVICES – MAY REVISION OVERVIEW .....		16
ISSUE 2: DEPARTMENT OF CHILD SUPPORT SERVICES – MAY REVISION TRAILER BILLS .....		17

**5180 DEPARTMENT OF SOCIAL SERVICES** ..... 18  
ISSUE 1: CALIFORNIA DEPARTMENT OF SOCIAL SERVICES – MAY REVISION SOLUTIONS ..... 18  
ISSUE 2: CALIFORNIA DEPARTMENT OF SOCIAL SERVICES – MAY REVISION OVERVIEW ..... 22  
ISSUE 3: CALIFORNIA DEPARTMENT OF SOCIAL SERVICES – MAY REVISION TRAILER BILLS ..... 28

**PUBLIC COMMENT**

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**4100 STATE COUNCIL ON DEVELOPMENTAL DISABILITIES****Issue 1: State Council on Developmental Disabilities – May Revision Overview**

**Budget Adjustments – Governor’s May Revision.** The May Revision includes the following adjustment items under the State Council on Developmental Disabilities (SCDD).

- **Support Services Assistant** – SCDD requests that Item 4100-001-0890 be increased by \$95,000 in 2024-25 and one position ongoing. This request includes \$87,000 in 2025-26 and \$83,000 ongoing beginning in 2026-27. These resources provide authority for a Support Services Assistant.
- **Statewide Self-Determination Advisory Committee** – SCDD requests that Item 4100-001-0001 be amended by increasing reimbursements by \$215,000 in fiscal years 2024-25, 2025-26, and 2026-27 and one position ongoing to support an existing interagency agreement with the Department of Developmental Services related to the Statewide Self-Determination Advisory Committee.
- **Self-Determination Program Orientations and Trainings** — SCDD requests that Item 4100-001-0001 be amended by increasing reimbursements by \$565,000 in 2024-25, \$471,000 in 2025-26, and \$478,000 in 2026-27 and two positions ongoing to support an existing interagency agreement with the Department of Developmental Services related to Self-Determination Program orientations and trainings.
- **Reappropriation of Go-Kits Reimbursement Authority** - SCDD requests that Item 4100-491 be added to reappropriate up to \$365,000 from Item 4100-001-0001, Budget Act of 2020, through June 30, 2025. This request corrects a reappropriation included in the 2023 Budget Act and will allow the Council to fully expend its 2020 Wildfire Recovery Fund grant award from the California Community Foundation.

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

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

1. Please provide a brief overview of the May Revision budget adjustments proposed for SCDD.

**4170 CALIFORNIA DEPARTMENT OF AGING****Issue 1: California Department of Aging - May Revision Solutions**

**Budget Solutions – Governor’s May Revision.** The Governor’s May Revision includes the following budget solutions under the California Department of Aging (CDA):

- **Elimination of Senior Nutrition and Other Senior Services Funding.** The May Revision proposes to eliminate all remaining funding (\$37.2 million in 2024-25, 2025-26, and 2026-27, for a total of \$111.6 million) for the Older Californians Act Modernization. The 2022 Budget Act included \$186 million over three years to restore local services and supports for older adults that were reduced during the Great Recession, including senior nutrition programs, family caregiver supports, and aging in place programs. The 2023 Budget Act spread this funding out over five years instead of the original three years.
- **Elimination of Older Adult Behavioral Health Program.** The May Revision proposes to eliminate funding for the Older Adult Behavioral Health Program as follows: \$5.4 million in 2023-24, \$20 million in 2024-25, and \$8.4 million in 2025-26. The 2023 Budget Act included \$50 million over three years to advance behavioral health for older adults: \$30.3 million to local partners for older adult behavioral health capacity building; \$4.5 million to allow for continued operation of the statewide Older Adult Friendship Line; and \$10.5 million for an older adult behavioral health stigma reduction media campaign.

**CDA Solution Adopted in Early Action.** The 2024 Early Action package included the following solution under CDA:

- **Cancellation of Healthier at Home Pilot Program.** The Early Action package included \$11.9 million General Fund savings to cancel the Healthier at Home Pilot Program.

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

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

1. Please provide an overview of the May Revision cuts to CDA programs.
2. The Older Californians Act funding proposed to be eliminated was intended to restore services, primarily for senior nutrition programs, that were cut during the Great Recession. What is the programmatic impact of eliminating these local services? How does this align with the Master Plan for Aging?
3. The Older Adult Behavioral Health Program proposed to be cut originally included \$20 million in 2023-24, but the Administration is proposing to cut \$5.4 million in 2023-24. Has approximately \$14.6 million of the 2023-24 share of this funding spent, and if so, how was it spent?

**Issue 2: California Department of Aging – May Revision Overview**

**Overview – May Revision.** The May Revision includes \$364 million (\$124.7 million General Fund) for CDA. With the cuts described in Issue 1, there is an approximately 31 percent decrease in General Fund supporting CDA compared to the Governor’s January budget.

**Other CDA Budget Adjustments – May Revision.** In addition to the cuts described in Issue 1, the May Revision includes the following budget adjustments for CDA:

- CDA requests that Item 4170-001-0001 be amended by increasing reimbursements by \$911,000 in 2024-25 and \$908,000 in 2025-26 and ongoing to support the Multipurpose Senior Services Program.
- CDA requests that Item 4170-101-0001 be amended by increasing reimbursements by \$2.5 million in 2024-25 and ongoing to support the CalFresh Healthy Living Nutrition Education Program.
- CDA requests that Item 4170-001-0890 be amended by increasing reimbursements by \$2,060,000, to realign federal fund reimbursement authority with projected federal grant award amounts. CDA requests that Item 4170-101-0890 be amended by increasing reimbursements by \$33,395,000, to realign federal fund reimbursement authority with projected federal grant award amounts.

**Chaptered Legislation – May Revision.** The May Revision includes the following adjustment to enable CDA to implement recently chaptered legislation.

- CDA requests that Item 4170-001-0001 be increased by \$130,000 in 2024-25 and \$130,000 in 2025-26 to support one position to implement the Lesbian, Gay, Bisexual, and Transgender Disparities Reduction Act, AB 1163 (Luz Rivas), Chapter 832, Statutes of 2023.

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

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

1. Please provide a brief overview of the May Revision budget adjustments proposed for CDA.
2. Please provide an update on CDA components of the Home and Community Based Services Spending Plan. Are there any changes to CDA components at May Revision? Is CDA on track to spend down all remaining federal funds by December 2024?

**4300 DEPARTMENT OF DEVELOPMENTAL SERVICES****Issue 1: Department of Developmental Services - May Revision Solutions**

**Budget Solutions – Governor’s May Revision.** The May Revision includes the following budget solutions under the Department of Developmental Services (DDS):

- **Regional Centers – Health and Safety Waiver Assistance.** The May Revision proposes to reduce funding for resources to assist individuals and families in applying for health and safety waivers by \$4.4 million (\$3 million General Fund) ongoing. This solution includes accompanying trailer bill language.
- **Emergency Preparedness Resources.** The May Revision proposes a reduction of \$1.1 million ongoing for procuring emergency preparedness supplies and informational materials for individuals.
- **Tribal Engagement for Early Start Services.** The May Revision proposes a reduction of \$750,000 ongoing tribal engagement for early start services.
- **Direct Service Professional Internship Program.** The May Revision proposes a reduction of \$20 million General Fund one-time to cancel the Direct Service Professional Internship program. The 2022 Budget Act included \$22.5 million for this program. This solution includes accompanying trailer bill language.

**Revised Estimate for Coordinated Family Support Services.** The May Revision decreases spending on Coordinated Family Services by \$6.6 million to reflect revised service cost assumptions. Coordinated Family Supports was established in 2022 and is funded partially by General Fund and partially by federal funding under HCBS Spending Plan. As of December 31, 2023, there were 38 unique service providers delivering Coordinated Family Support services to 192 individuals.

**DDS Solution Adopted in Early Action.** The Early Action package included the following solution under DDS:

- **Delay of Preschool Inclusion Grants.** The Early Action package approved the Governor’s proposed delay of \$10 million annually for funding to support preschools in serving children with disabilities.

**Open DDS Solutions Included in Governor’s January Budget.** The Governor’s January budget includes the following budget solution under DDS, which was covered in this Subcommittee on March 21, 2024:

- **Delay of DDS Service Provider Rate Reform.** The Governor’s budget proposes to delay the final phase of DDS Service Provider rate reform (currently scheduled for July 1, 2024), which generates \$1 billion (\$612.5 million General Fund) in savings in 2024-25.

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

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

1. Please provide an overview of the May Revision budget solutions proposed under DDS. For each item, please provide background and describe the programmatic impact of the proposed cut.
2. In addition to the savings proposed at May Revision from cancelling the DSP Internship program, does the Administration anticipate any savings from other recently initiated workforce initiatives, including the Regional Center Tuition Reimbursement program and the DSP stipends program?
3. What is the department’s plan for the Coordinated Family Support program? Does the department have plans to continue this program beyond the current fiscal year?

**Issue 2: Department of Developmental Services – May Revision Overview**

**Overview – May Revision.** The May Revision includes \$15.4 billion (\$10 billion General Fund) for DDS in 2024-25; a net increase of \$1.9 billion (\$2 billion General Fund) over the updated 2023-24 budget, which is a 14.5 percent total fund increase. The total DDS budget at May Revision is summarized below:

**Program Highlights**  
(Dollars in Thousands)

	FY 2023-24*	FY 2024-25	Difference
<b>Community Services Program</b>			
Regional Centers	\$12,941,848	\$14,878,990	\$1,937,142
<b>Total, Community Services</b>	<b>\$12,941,848</b>	<b>\$14,878,990</b>	<b>\$1,937,142</b>
General Fund	\$7,626,916	\$9,596,982	\$1,970,066
Program Development Fund	\$434	\$434	\$0
Developmental Disabilities Services Account	\$150	\$150	\$0
Federal Trust Fund	\$57,470	\$57,338	(\$132)
Reimbursements	\$4,330,931	\$5,223,346	\$892,415
Mental Health Services Fund	\$740	\$740	\$0
HCBS ARPA	\$542,237	\$0	(\$542,237)
HCBS ARPA Reimbursements	\$382,970	\$0	(\$382,970)
<b>State Operated Services</b>			
Personal Services	\$260,198	\$281,128	\$20,930
Operating Expense & Equipment	\$66,986	\$60,425	(\$6,561)
<b>Total, State Operated Services</b>	<b>\$327,184</b>	<b>\$341,553</b>	<b>\$14,369</b>
General Fund	\$291,362	\$309,792	\$18,430
Lottery Education Fund	\$100	\$100	\$0
Reimbursements	\$35,722	\$31,661	(\$4,061)
<b>Headquarters Support</b>			
Personal Services	\$122,143	\$121,131	(\$1,012)
Operating Expense & Equipment	\$53,363	\$47,313	(\$6,050)
<b>Total, Headquarters Support</b>	<b>\$175,506</b>	<b>\$168,444</b>	<b>(\$7,062)</b>
General Fund	\$109,301	\$112,677	\$3,376
Federal Trust Fund	\$2,979	\$3,010	\$31
Program Development Fund	\$451	\$452	\$1
Reimbursements	\$53,487	\$51,794	(\$1,693)
Mental Health Services Fund	\$511	\$511	\$0
HCBS ARPA	\$6,523	\$0	(\$6,523)
HCBS ARPA Reimbursements	\$2,254	\$0	(\$2,254)
<b>Total, All Programs</b>	<b>\$13,444,538</b>	<b>\$15,388,987</b>	<b>\$1,944,449</b>
<b>Total Funding</b>			
General Fund	\$8,027,579	\$10,019,451	\$1,991,872
Federal Trust Fund	\$60,449	\$60,348	(\$101)
Lottery Education Fund	\$100	\$100	\$0
Program Development Fund	\$885	\$886	\$1
Developmental Disabilities Services Account	\$150	\$150	\$0
Reimbursements	\$4,420,140	\$5,306,801	\$886,661
Mental Health Services Fund	\$1,251	\$1,251	\$0
HCBS ARPA	\$548,760	\$0	(\$548,760)
HCBS ARPA Reimbursements	\$385,224	\$0	(\$385,224)
<b>Total, All Funds</b>	<b>\$13,444,538</b>	<b>\$15,388,987</b>	<b>\$1,944,449</b>

\*FY 2023-24 includes \$1.3 million Control Section 19.565 funding

\*FY 2023-24 does not include \$10.75 million for CPP reappropriation (GF).



**Changes to 2023-24 DDS Baseline Budget.** The May Revision includes the following changes to the DDS budget for 2023-24:

- The 2023-24 updated regional center budget includes \$12.9 billion (\$7.6 billion General Fund), a net decrease of \$270.3 million (\$215.1 million General Fund) compared to the Governor’s Budget. This includes a projected decrease of \$251.2 million in purchase of services (POS) expenditures and a decrease of \$19.1 million in operations costs.
- There is no change to the 2023-24 regional center caseload from Governor’s budget.
- There is a net decrease of \$18.2 million (\$66.7 million General Fund) in policy-related expenditures compared to the Governor’s Budget. This is primarily driven by the following:
  - Coordinated Family Support Services: Decrease of \$27 million (\$6.6 million General Fund) due to current trends in actual costs and utilization.
  - Social Recreation and Camping Services: Increase of \$16.6 million (\$10.7 million General Fund) due to current trends in actual costs and utilization.
  - Bilingual Differential for Direct Service Professionals under Ongoing Purchases of Services Items: Decrease of \$7.2 million (\$4.4 million General Fund) due to updated implementation assumptions.
  - Direct Service Professional Workforce Training and Development: Decrease of \$3 million (\$2 million General Fund) due to updated implementation assumptions.
  - Updated POS expenditures reflect a net decrease of \$233 million (\$144.6 million General Fund) compared to the Governor’s Budget. The table below displays adjustments by category from the Governor’s Budget.
- Updated POS expenditures reflect a net decrease of \$233.0 million (\$144.6 million General Fund) compared to the Governor’s Budget.

**Changes to 2024-25 DDS Baseline Budget.** The May Revision includes the following changes to the DDS budget for 2024-25:

- The 2024-25 regional center budget includes \$14.9 billion (\$9.6 billion General Fund), a net increase of \$69.9 million (\$39.1 million General Fund) compared to the Governor’s Budget. This includes a projected \$22.4 million increase in regional center operations costs, and \$47.5 million increase in purchase of services expenditures.
- The May Revision forecasts a net increase of 6,937 individuals in the regional center caseload in 2024-25 compared to Governor’s budget.

- The May Revision includes \$1.3 billion (\$918.5 million General Fund) for regional center operations, an increase of \$9.7 million (\$3.4 million General Fund decrease) compared to the Governor’s Budget. The increase is primarily attributed to anticipated caseload growth.
- The May Revision includes \$268.2 million (\$187.9 million General Fund) for policies impacting regional center operations, an increase of \$12.6 million (\$9.3 million General Fund) compared to the Governor’s Budget. Changes from updated policies include:
  - Reduced Caseload Ratio for Children 0-5: Increase of \$8 million (\$5.2 million General Fund) due to updated service coordinator salary assumptions.
  - Regional Center New Case Management System: Increase of \$2.7 million General Fund for one-time resources in 2024- 25.
  - Compliance with HCBS Requirements: Increase of \$1.7 million (\$1.1 million General Fund) due to updated caseload.
  - Early Start Eligibility: Increase of \$287,000 General Fund due to updates in service coordinator salary assumptions.
- The May Revision includes \$11.9 billion (\$7.6 billion General Fund) for purchase of services, an increase of \$44.8 million (\$31.4 million General Fund), compared to the Governor’s Budget.
- The May Revision state-operated facilities budget for 2024-25 includes \$341.6 million (\$309.8 million General Fund), a decrease of \$7 million (\$3.7 million General Fund) compared to the Governor’s Budget due to an update to the reimbursement rate for the STAR and CAST services, an updated phase-in of staff for the Complex Needs Residential Program, and Control Section adjustments. Facilities Update:
  - STAR: A fund shift of \$3.1 million from reimbursements to General Fund due to updated funding assumptions aligned with actual Federal Financial Participation.
  - CAST: A fund shift of \$232,000 from reimbursements to General Fund due to updated funding assumptions aligned with actual Federal Financial Participation.
  - Complex Needs Residential Program: A decrease of \$7 million General Fund due to revised development timeline of the homes and the related phased-in staffing assumptions.

**Other DDS Budget Adjustments – May Revision.** In addition to the cuts described in Issue 1 and the service utilization and caseload related changes described above, the May Revision includes the following budget adjustments for DDS:

- **Reimbursement System Project and Maintenance and Operation Costs.** DDS requests that Item 4300-001-0001 be increased by \$3,258,000 in 2024-25, \$2,443,000 in 2025-26, and \$1,791,000 ongoing beginning in 2026-27 to complete the Reimbursement System Project and support maintenance and operations costs. This request also includes provisional language to make

the level of 2024-25 funding contingent upon approval of the pending Iterative Project Report by the Department of Technology.

- **Reimbursement System Project – Reappropriation.** DDS requests that Item 4300-490 be added to reappropriate \$5 million from Item 4300-001-0001, Budget Act of 2021, through June 30, 2025. This request corrects a reappropriation included in the 2022 Budget Act and will support completion of the Reimbursement System Project and maintenance and operations costs.
- **Uniform Fiscal System Modernization and the Consumer Electronic Records Management System Project Planning.** DDS requests that Item 4300-001-0001 be increased by \$3,323,000 and reimbursements be increased by \$369,000 one-time to support planning for the Uniform Fiscal System Modernization and Consumer Electronic Records Management System projects. It is also requested that Item 4300-101-0001 be increased by \$2,665,000 one-time for these purposes.
- **Allocation for Employee Compensation.** DDS requests that Item 4300-001-0001 be increased by \$18,000 and reimbursements be increased by \$2,000 ongoing to reflect revised employee compensation costs.
- **Allocation for Employee Benefits.** DDS requests that Item 4300-001-0001 be increased by \$2,000 ongoing to reflect revised staff benefit costs.
- **State Operated Facilities – Complex Needs Residential Program Update.** DDS requests that Item 4300-001-0001 be decreased by \$7,038,000 and 28.8 positions one-time to reflect revised staffing cost assumptions for the program in 2024-25.
- **State Operated Facilities – Population and Staffing May Revision.** DDS requests that Item 4300-001-0001 be increased by \$3,286,000 and 16 positions and reimbursements be decreased by \$3,286,000 and 16 positions ongoing to reflect revised federal reimbursement assumptions related to the Stabilization Training Assistance Reintegration home program.
- **Regional Centers – Caseload and Utilization May Revision.** DDS requests that Item 4300-101-0001 be increased by \$41,210,000 and reimbursements be increased by \$32,371,000 ongoing. It is also requested that Item 4300-101-0890 be decreased by \$132,000 ongoing. These adjustments reflect updated expenditure estimates in operations and purchase of services driven by caseload and utilization. In addition to adjustments based on caseload and utilization, 2023-24 expenditure estimates also align with proposed changes in the federal Home and Community-Based Services Spending Plan.
- **Language Only.** DDS requests that Provision 2 of Item 4300-101-0001 be amended to change General Fund loan authority from \$1,038,350,000 to \$1,044,669,000 to reflect revised estimates regarding federal reimbursements.

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

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

1. Please provide a brief overview of significant May Revision caseload and service utilization adjustments to the DDS budget.
2. The May Revision decreases projected 2024-25 expenditures for the department's new Complex Needs Residential Program, which was approved in the 2023 Budget Act, due to revised development timeline of the homes and the related phased-in staffing assumptions. Does the revised timeline also affect the \$10.5 million included in the 2023-24 budget for this program? How much of the 2023-24 appropriation has been spent to date and what work has been completed?
3. The May Revision continues increases the budget for Porterville Developmental Center by \$20 million in 2024-25 compared to the revised 2023-24 budget. What are the components of this approximately \$20 million increase in 2024-25?

**Issue 3: Department of Developmental Services – May Revision Trailer Bills**

**Trailer Bills – Governor’s May Revision.** The May Revision includes the following new trailer bills under DDS:

- **Provisional Eligibility Assessments.** DDS proposes statutory changes to address efficiencies in the number of assessments required for children referred for early intervention services who may be provisionally eligible for regional center services. At the time of this writing, this trailer bill was not available.
- **Health and Safety Waiver Assistance.** DDS proposes trailer bill to align with the proposed cut to health and safety waiver assistance. At the time of this writing, this trailer bill was not available.
- **Direct Service Professional Internship Program.** DDS proposes trailer bill to align with the proposed cancellation of the Direct Services Professional Internship Program. At the time of this writing, this trailer bill was not available.

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

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

1. Please provide an overview of DDS May Revision trailer bills.

**4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT****Issue 1: Department of Community Services and Development – May Revision Overview**

**Chaptered Legislation – May Revision.** The May Revision includes the following adjustment to enable CSD to implement recently chaptered legislation.

- **Lesbian, Gay, Bisexual, and Transgender Disparities Reduction Act: AB 1163 (Luz Rivas), Chapter 832, Statutes of 2023.** CSD requests that Item 4700-1010001 be increased by \$943,000 one-time to update intake systems to collect self-identification information pertaining to sexual orientation, gender identity, and intersexuality demographic data, including for various Community Services Block Grant subgrantees.

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

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

1. Please provide an overview of CSD May Revision budget adjustments.

**5160 DEPARTMENT OF REHABILITATION****Issue 1: Department of Rehabilitation – May Revision Overview**

**Budget Adjustment and Trailer Bill – May Revision.** The May Revision includes the following proposal under the Department of Rehabilitation (DOR).

- **Office of Employment First.** CalHHS and DOR request that Item 5160-001-0001 be increased by \$1 million and three permanent positions ongoing to reflect the Administration’s proposed shift of the Office of Employment First from the California Health and Human Services Agency to DOR.

DOR also proposes statutory changes for both this purpose and for the purpose of renaming DOR to the California Department of Disability Works, which aims to better reflect the services provided through the department for individuals with disabilities. At the time of this writing, this trailer bill was not available.

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

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

1. Please provide an overview of the proposal to shift the Office of Employment First, which was established in the 2023 Budget Act, from California Health and Human Services Agency to DOR.

**5175 DEPARTMENT OF CHILD SUPPORT SERVICES****Issue 1: Department of Child Support Services – May Revision Overview**

**Budget Adjustment – Governor’s May Revision.** The May Revision includes the following budget adjustment for Department of Child Support Services (DCSS):

- **Local Assistance Expenditures.** DCSS requests that Item 5175-101-0890 be decreased by \$1,501,000 ongoing to update federal fund local assistance expenditures based on additional child support collections data becoming available. It is estimated there will be a corresponding increase in collections received for the federal government’s share of child support recoupment.

DCSS requests that Item 5175-101-8004 (Child Support Collections Recovery Fund) be increased by \$1,501,000 ongoing to reflect an estimated increase in collections received for the federal government’s share of child support recoupment based on updated child support collections information.

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

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

1. Please provide an overview of the May Revision budget adjustment for DCSS.



**Issue 2: Department of Child Support Services – May Revision Trailer Bills**

**Trailer Bill Language – Governor’s May Revision.** The May Revision includes the following new trailer bill proposals under DCSS:

- **California Child Support Automation System Annual Reporting Requirements Repeal.** At the time of this writing, this trailer bill was not available.
- **Improved Performance Incentives Repeal.** At the time of this writing, this trailer bill was not available.

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

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

1. Please provide an overview of the May Revision trailer bills for DCSS.

**5180 DEPARTMENT OF SOCIAL SERVICES****Issue 1: California Department of Social Services – May Revision Solutions**

**Budget Solutions – Governor’s May Revision.** The Governor’s May Revision includes the following budget solutions under the California Department of Social Services (CDSS):

- **Ends the Child Care Slot Expansion.** The May Revision proposes to end the expansion of over 200,000 new subsidized child care slots agreed to under the 2021 Budget Act. This would limit the total slot expansion to approximately 119,000 total awarded slots. This proposal would involve rescinding final award letters recently issued for 12,000 General Child Care slots budgeted for 2024-25. This generates savings of \$489 million in 2024-25, \$951 million in 2025-26, and \$1.5 billion in 2026-27 and 2027-28.
- **Cuts Funding for the Emergency Child Care Bridge Program.** The May Revision proposes to reduce funding for the Emergency Child Care Bridge Program, which provides subsidized child care slots to children recently placed in foster care on an emergency basis, by \$34.8 million ongoing.
- **Uses Federal Funds and Prop 64 (Cannabis Funds) to Offset Child Care General Fund Costs.** The May Revision proposes to offset General Fund supporting child care with various federal and Prop 64 funds. This frees up \$596.8 million General Fund in 2023-24 and \$375.5 million General Fund in 2024-25.
- **Cuts \$195 Million in Funding for Housing Programs Serving Vulnerable Seniors and Children in Foster Care.** The May Revision proposes to cut \$50 million from the Housing and Disability Advocacy Program, \$80 million from the Bringing Families Home Program, and \$65 million from the Home Safe Program. These programs were augmented with significant one-time funding in the 2021 and 2022 budget acts (see the Subcommittee’s March 7 and April 25 agenda for more information). The Governor’s January budget proposed to delay this funding for these programs to 2025-26; the May Revision instead proposes to cut those amounts.
- **Cuts the CalWORKs Home Visiting Program.** The May Revision cuts the CalWORKs Home Visiting Program by \$47.1 million ongoing. The total budget for CalWORKs Home Visiting Services in 2023-24 is \$97.6 million.
- **Eliminates CalWORKs Mental Health and Substance Use Disorder Services.** The May Revision eliminates all funding (\$127 million ongoing) for CalWORKs mental health and substance use disorder services. This program provides mental health and substance use disorder treatment to CalWORKs participants and was implemented in 1998.
- **Reduces the CalWORKs Single Allocation.** The May Revision proposes to reduce the Employment Services component of the 2024-25 Single Allocation by \$272 million General Fund one-time.

- **Proposes Permanent Foster Care Rate Structure be Subject to a “trigger.”** The May Revision makes the proposed foster care rate structure subject to a “trigger” based on the availability of General Fund in spring 2026. Current law requires the state to adopt a permanent foster care rate structure by January 1, 2025.
- **Eliminates funding for Foster Care Caregiver Approvals.** The May Revision eliminates \$50 million ongoing for county child welfare agencies to complete caregiver approvals for foster caregivers, primarily relative caregivers. This funding was implemented in 2022.
- **Rescinds In-Home Supportive Services (IHSS) Benefits Based on Immigration Status.** The May Revision eliminates the IHSS Medi-Cal benefit for undocumented individuals of all ages, resulting in \$94.7 million savings.
- **Eliminates the IHSS Backup Provider System.** The May Revision eliminates the IHSS Backup Provider System, which was implemented in 2022 and provides a way for IHSS recipients to receive backup care, generating \$11.6 million in savings ongoing.
- **Reduces \$60 Million in Federal Funds from IHSS Career Pathways.** The May Revision reduces federal Home and Community-Based Services spending on the IHSS Career Pathways Program by \$60 million. The May Revision proposes to shift the \$60 million in federal funds into DDS Rate Reform implementation, which frees up an equal amount of General Fund.
- **Delays California Food Assistance Program Expansion.** The May Revision proposes to delay the planned expansion of the California Food Assistance Program to adults age 55 and over regardless of immigration status to 2027-28. Implementation is currently scheduled for October 2025. This results in approximately \$30 million savings in 2024-25 and \$114 million in 2025-26.
- **Cancels the CalFresh Minimum Benefit Pilot Program.** The May Revision proposes to cancel the CalFresh Minimum Benefit Pilot Program, which would provide a \$50 minimum food benefit to certain households. This was approved in the 2023 Budget Act. This generates \$15 million in one-time savings.
- **Eliminates the Work Incentive Nutrition Supplement (WINS) Program.** The May Revision proposes to end the WINS program, which provides a supplemental \$10 monthly benefit to approximately 124,000 CalFresh households. The generates \$25 million in ongoing savings.
- **Cuts Funding for Adult Protective Services Expansion.** The May Revision cuts funding for the expansion of Adult Protective Services by \$40 million ongoing. The Adult Protective Services expansion began in 2021 and increased eligibility and case management for Adult Protective Services cases. Total funding for the APS expansion in 2023-24 is \$79.1 million (\$69.3 million General Fund).
- **Eliminates Funding for Statewide Training for Adult Protective Services.** The May Revision proposes to eliminate \$4.8 million in all ongoing funding for Adult Protective Services Training,

which provides a curriculum for all Adult Protective Services social workers. This program was initially implemented in 2001.

- **Cuts Funding for Rapid Response.** The May Revision proposes to cut \$29 million in funding for the Rapid Response program, which funds humanitarian response at the southern border.

**CDSS Budget Solution Adopted in Early Action.** The Early Action package included the following solutions under CDSS:

- **CalWORKs Single Allocation Unspent Balance from 2022-23.** The Early Action package approved the Governor's proposal to revert the unspent balance (\$336 million) of the CalWORKs Single Allocation from 2022-23.
- **Rapid Response Program Carryover.** The Early Action package included a re-appropriation to carry over remaining funding for the Rapid Response Program from the 2021 and 2022 Budget Acts.

**Open CDSS Solutions Included in Governor's January Budget.** The Governor's January budget includes the following budget solutions under CDSS, which were covered in this Subcommittee on March 7, April 11, and April 25 hearings:

- **Full Withdrawal of the Safety Net Reserve:** Draws down the full Safety Net Reserve (\$900 million).
- **CDSS Housing and Homelessness Programs:** Delay of \$65 million for the Home Safe Program, \$50 million for the Housing and Disability Advocacy Program, and \$80 million for the Bringing Families Home Program. These delays have been changed to cuts at May Revision.
- **CalWORKs Single Allocation Eligibility Administration:** Cut of \$40.8 million to CalWORKs eligibility administration functions.
- **CalWORKs Family Stabilization Program:** Elimination of the CalWORKs Family Stabilization Program, for \$71 million ongoing. The May Revision restores 2023-24 funding to \$55 million but continues to eliminate all funding beginning in 2024-25.
- **CalWORKs Subsidized Employment Program:** Elimination of the CalWORKs Subsidized Employment Program, for \$134.1 million ongoing. The May Revision restores 2023-24 funding to \$134.1 million but continues to eliminate all funding beginning in 2024-25.
- **CalWORKs Employment Services Intensive Case Management:** Freeze of a planned increase to caseworker hours for intensive cases, for \$47 million ongoing.
- **Temporary Protected Status Program:** Elimination of the supplemental immigration services funding for those with Temporary Protected Status, for \$10 million ongoing.
- **CSU Immigration Legal Services:** Significant reduction of \$5.2 million ongoing for immigration legal services for CSU students and families.

- **Supervised Independent Living Placement (SILP) Housing Supplement:** Elimination of \$25 million (\$18.8 million General Fund) for the SILP Housing Supplement to help transition-age youth in foster care pay for housing.
- **LA Public Health Nursing Early Intervention Program:** Elimination of \$8.3 million beginning in 2024-25 to eliminate state funding for LA County’s Public Health Nursing Early Intervention Program for children at risk of medical neglect.
- **Family Urgent Response System (FURS):** Elimination of the FURS program, which provides 24/7 support and in-person response to help stabilize a foster care placement, for \$30 million ongoing.

**Subcommittee Staff Comment and Recommendation – Hold Open.** Subcommittee staff notes these proposed cuts will have direct impact on families and children living in poverty.

**Questions.** The Subcommittee requests the Administration respond to the following questions:

1. Please provide an overview of the May Revision solutions proposed for CDSS. For each May Revision solution, please provide background, including if there has been any historical underspending and the number of people served, and describe the programmatic impact of the proposed cut.
2. Child care slot expansion: As part of the proposal to end the child care slot expansion, would the Administration plan to rescind child care slot award letters recently issued in Spring 2024? Where would the Administration derive the authority to rescind slots appropriated by the Legislature in the 2023 Budget Act? Will the Administration spend all remaining federal funds for child care by the federal deadline under the proposed termination of the slot expansion?
3. Foster Care Permanent Rates Structure: How does the May Revision proposal to make the Administration’s proposed permanent foster care rate structure subject to a trigger in 2026 fulfill the state’s statutory mandate to adopt a new foster care rate structure by January 1, 2025?
4. Resource Family Approval: The state has been moving towards a kin-first culture -- supporting relatives to care for children in their families who must be placed in foster care. The \$50 million proposed to be cut supports the casework to complete Resource Family Approvals. Will this cut undermine the child welfare system’s ability to keep children connected to their families?
5. Emergency Child Care Bridge: Would the Administration’s proposal to terminate the slot expansion plan affect the projected underspend of the Emergency Child Care Bridge program in future years?
6. IHSS: How would the Administration plan to execute the proposal to rescind IHSS benefits from undocumented individuals? Has the Administration also considered the potentially higher costs if individuals who lose access to IHSS rely instead on institutional care?

**Issue 2: California Department of Social Services – May Revision Overview**

**Overview – May Revision.** The total budget for CDSS at May Revision is \$49.3 billion (\$19.4 billion General Fund). The overall 2024-25 CDSS budget at May Revision includes a total fund increase largely due to caseload growth, offset by a decrease of \$1.9 billion General Fund, reflecting the Governor’s proposed solutions described in Issue 1, notably the proposed termination of the child care slot expansion.

**May Revision CDSS Caseload Adjustments.** The May Revision proposes a net ongoing increase of \$1.96 billion in 2024-25 that primarily results from updated caseload estimates since the Governor’s Budget, composed of a \$755.2 million ongoing decrease to General Fund, a \$1.96 billion ongoing increase to federal funds, a \$27,000 ongoing decrease to special funds, and a \$754 million ongoing increase to reimbursements. Caseload and workload changes since the Governor’s Budget are displayed in the following table:

Program	Item	Change from Governor's Budget
California Work Opportunity and Responsibility to Kids (CalWORKs)	5180-101-0001	(799,802,000)
	5180-101-0890	665,010,000
Child Care	5180-101-0001	(159,450,000)
	5180-101-0890	126,527,000
	5180-104-0001	(368,000)
	Reimbursements	2,442,000
Kinship Guardianship Assistance Payment	5180-101-0001	(145,000)
Supplemental Security Income/State Supplementary Payment (SSI/SSP)	5180-111-0001	(31,357,000)
In-Home Supportive Services (IHSS)	5180-111-0001	104,445,000
	Reimbursements	723,748,000
Other Assistance Payments	5180-101-0001	76,926,000
	5180-101-0122	(27,000)
	5180-101-0890	1,034,869,000
	5180-101-8075	-
	Reimbursements	-
County Administration and Automation Projects	5180-141-0001	50,152,000
	5180-141-0890	34,467,000
	Reimbursements	25,968,000
Child Welfare Services	5180-151-0001	3,612,000
	5180-151-0890	21,320,000
Special Programs	5180-151-0001	799,000
Adult Protective Services	Reimbursements	81,000
<b>Realigned Programs</b>		
Adoption	5180-101-0001	-
	5180-101-0890	81,242,000
Foster Care	5180-101-0001	-
	5180-101-0890	(4,140,000)
	5180-141-0890	3,515,000
Child Welfare Services	5180-151-0001	-
	5180-151-0890	(991,000)
	Reimbursements	1,559,000
Adult Protective Services	Reimbursements	205,000

The following chart summarizes CDSS caseload projections at May Revision:

### CDSS CASELOAD PROJECTIONS

Program	FY 2023-24 Caseload	FY 2024-25 Caseload	CY to BY % Change
CalWORKs	348,621	354,772	1.8%
CalFresh	3,063,889	3,089,948	0.9%
California Food Assistance Program (CFAP)	54,658	58,838	7.6%
CalWORKs Child Care	135,736	141,062	3.9%
IHSS	664,958	703,921	5.9%
SSI/SSP	1,099,947	1,076,332	-2.1%
Cash Assistance Program for Immigrants (CAPI)	15,333	15,976	4.2%
Child Welfare Services (CWS)	112,756	111,518	-1.1%
Foster Care (FC)	46,114	45,358	-1.6%
Adoption	86,941	87,087	0.2%
Kin-GAP	17,634	17,609	-0.1%

Source: CDSS

**Other CDSS Budget Adjustments – May Revision.** In addition to the cuts described in Issue 1, the May Revision includes the following budget adjustments for CDSS:

- **Maintenance of County Expense Claim Reporting Information System.** CDSS requests that Item 5180-001-0001 be increased by \$730,000 and four positions in 2024-25 and \$533,000 and four positions in 2025-26 and ongoing to continue maintenance and operations activities for the County Expense Claim Reporting Information System. CDSS requests that Item 5180-001-0890 be increased by \$183,000 in 2024-25 and \$356,000 in 2025-26 and ongoing for this purpose.
- **Summer EBT.** CDSS requests that Item 5180-001-0001 be increased by \$1,253,000 in 2024-25, \$1,234,000 in 2025-26 and ongoing to assist with program support for the Summer EBT program (now known as Sun Bucks.)

- **Child Welfare Training Program: Funding Shift from Local Assistance to State Operations.** CDSS requests that Item 5180-001-0001 be increased by \$210,000 and 1.2 positions in 2024-25 and \$205,000 and 1.2 positions in 2025-26 and ongoing, to continue to support statewide coordination for the Child Welfare Training Program in compliance with federal requirements. CDSS requests that Item 5180-001-0890 be increased by \$142,000 in 2024-25 and \$139,000 in 2025-26 and ongoing, and 0.8 positions, for this purpose. These adjustments reflect a net-zero shift of existing funds for this program from local assistance to state operations.
- **Guardian Background Check System Maintenance and Operations.** CDSS requests that Item 5180-001-0001 be increased by \$312,000 in 2024-25 and 2025-26, and \$612,000 in 2026-27, on a limited-term basis, for increased maintenance and operations costs for the existing Guardian Background Check System.
- **Preschool Development Grant Reimbursement Authority.** CDSS requests that Item 5180-001-0890 be increased by \$328,000 one-time to allow the Department of Social Services to assist the California Health and Human Services Agency with the administration of the Preschool Development Grant. Additionally, CDSS requests that provisional language be added to allow the Department of Finance to adjust expenditure authority to Schedule (1) for future Preschool Development Grant awards.
- **Provisional Language Only: Fiscal Responsibility Act (FRA) Alternative Accountability Pilot Opportunity.** CDSS requests that provisional language be added to Item 5180-001-0001 to allow the Department of Finance to augment this item for costs associated with participation in the FRA Pilot no sooner than 30 days after notification in writing is provided to the chairpersons of the fiscal committees in each house of the Legislature and the Chair of the Joint Legislative Budget Committee if the State of California is selected for participation in the work outcomes pilot pursuant to section 302 of H.R. 3746, the Fiscal Responsibility Act.
- **Provisional Language Only: Able-Bodied Adult without Dependents Rule.** CDSS requests that provisional language be added to Items 5180-001-0001 and 5180-001-0890 to allow the Department of Finance to increase expenditure authority in this item up to \$250,000 to comply with the federal Able-Bodied Adult without Dependents rule if State Operations resources are necessary.
- **CalWORKs AB 85 Maximum Aid Payment Increase.** CDSS requests that Item 5180-101-0001 be increased by \$12,522,000 ongoing to reflect a 0.3 percent increase to the CalWORKs Maximum Aid Payment levels. The increased grant costs are funded entirely by 1991 Realignment revenue in the Child Poverty and Family Supplemental Support Subaccount. This replaces the 0.8 percent grant increase projected at Governor's budget.
- **Elimination of Comparable Disqualification.** CDSS requests that Item 5180-101-0001 be increased by \$80,000 in 2024-25 and ongoing and Item 5180-141-0001 be decreased by \$206,000 in 2024-25 and ongoing, and Item 5180-141-0890 be decreased by \$308,000 in 2024-25 and ongoing as a result of the elimination of Welfare-to-Work comparable disqualification to align the California Food Assistance Program and CalFresh policy.



- **Federal Reporting and Communication Requirements with National Center for Missing and Exploited Children.** CDSS requests that Item 5180-151-0001 be increased by \$432,000 ongoing for additional workload for county child welfare agencies and probation departments to comply with additional federal reporting and communication requirements when reporting missing youth. CDSS requests that Item 5180-151-0890 be increased by \$311,000 ongoing for this purpose. CDSS requests that statutory changes be added for these purposes.
- **Los Angeles County Child Welfare Stabilization.** CDSS requests that Item 5180-495 be amended to eliminate a reversion proposed at Governor’s Budget that is no longer feasible.
- **Child Welfare Training Program: Funding Shift from Local Assistance to State Operations.** CDSS requests that Item 5180-151-0001 be decreased by \$210,000 in 2024-25 and \$205,000 in 2025-26 and ongoing to shift funds to state operations to continue to support statewide coordination for the Child Welfare Training Program in compliance with federal requirements. CDSS requests that Item 5180-151-0890 be decreased by \$142,000 in 2024-25 and \$139,000 in 2025-26 and ongoing for the same purpose. These adjustments reflect a net-zero shift of existing funds for this program from local assistance to state operations.
- **Foster Care Rate Reform Automation.** CDSS requests that Item 5180-141-0001 be increased by \$2,465,000 one-time to update foster care rate reform automation costs proposed at Governor’s Budget.
- **Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Reappropriation.** CDSS requests that Item 5180-494 be amended to reappropriate up to \$2,657,000 General Fund for an additional year for workforce training and county readiness activities to support implementation of Child and Family Teams for family maintenance cases associated with the implementation of BH-CONNECT.
- **Provisional Language Only: Family First Prevention Services Reappropriation.** CDSS requests that Item 5180-493 be amended to reflect a technical change to correct the item number for the State Block Grant in support of the Family First Prevention Services Act.
- **Provisional Language Only: Fiscal Responsibility Act (FRA) Alternative Accountability Pilot Opportunity.** CDSS requests that provisional language be added to Item 5180-101-0001 to allow the Department of Finance to increase expenditure authority in this item up to \$2.4 million to implement the Fiscal Responsibility Act Pilot (Federal H.R. 3746) if California is selected to participate in the FRA pilot.
- **Provisional Language Only: Fiscal Responsibility Act (FRA) Alternative Accountability Pilot Opportunity.** CDSS requests that provisional language be added to Item 5180-141-0001 to allow the Department of Finance to augment this item for costs associated with participation in the FRA pilot upon selection of the State of California for participation in the pilot pursuant to section 302 of H.R. 3746, the Fiscal Responsibility Act.

**Chaptered Legislation – May Revision.** The May Revision includes the following adjustments to enable CDSS to implement recently chaptered legislation.

- **Daycare Facilities: Incidental Medical Services Plan**, Chapter 631, Statutes of 2023 (SB 722). CDSS requests that Item 5180-001-0001 be increased by \$173,000 and one position in 2024-25, and by \$169,000 in 2025-26 and 2026-27 to implement the legislation.
- **Firearms in Family Child Care Homes**, Chapter 249, Statutes of 2023 (SB 2). CDSS requests that Item 5180-001-0001 be increased by \$162,000 and one position in 2024-25, 2025-26, and 2026-27 to implement the legislation.
- **Paid Sick Leave Implementation**: Chapter 309, Statutes of 2023 (SB 616). CDSS requests that Item 5180-111-0001 be increased by \$17,319,000 ongoing and reimbursements be increased by \$21,024,000 ongoing to implement the legislation.
- **Facility Management System (FMS) Project Planning Resources Reappropriation**. CDSS requests that Item 5180-492 be amended to reappropriate up to \$5 million from Item 5180-001-0001 of the 2021 Budget Act and up to \$3 million from Item 5180-001-0001 of the 2022 Budget Act to support planning efforts of the FMS project.
- **Juvenile Court - Dependents Removal**, Chapter 618, Statutes of 2023 (SB 578). CDSS requests that Item 5180-151-0001 be increased by \$1,161,000 in 2024-25 and ongoing to implement the legislation.
- **Assuring Services for Family Reunification**, Chapter 458, Statutes of 2023 (AB 937). CDSS requests that Item 5180-151-0001 be increased by \$933,000 in 2024-25 and ongoing to implement the legislation.
- **Childcare Dual Language Learners**, Chapter 435, Statutes of 2023 (AB 393) CDSS requests that Item 5180-001-0001 be increased by \$764,000 and four positions in 2024-25 and \$742,000 and four positions ongoing beginning in 2025-26, and Item 5180-101-0001 be increased by \$297,000 ongoing to implement the legislation.
- **Lesbian, Gay, Bisexual, Transgender Disparities Reduction Act**, Chapter 832, Statutes of 2023 (AB 1163). CDSS requests that Item 5180-141-0001 be increased by \$519,000 one-time in 2024-25 to implement the legislation.
- **Cal-Learn Pregnancy or Parenting**, Chapter 615, Statutes of 2023 (SB 521). CDSS requests that Item 5180-141-0001 be increased by \$294,000 one-time to implement the legislation.
- **Cal-Learn Sanctioned Grants Repeal**, Chapter 615, Statutes of 2023 (SB 521). CDSS requests that Item 5180-101-0001 be increased by \$18,000 in 2024-25 and \$37,000 in 2025-26 and ongoing to implement the legislation.
- **Family Reunification Services for Financial Hardship Noncompliance**, Chapter 552, Statutes of 2023 (AB 954). CDSS requests that Item 5180-151-0001 be increased by \$1,866,000 ongoing. It is also requested that Item 5180-151-0890 be increased by \$673,000 ongoing.

- **Pupil Meals**, Chapter 600, Statutes of 2023 (SB 348). CDSS requests that Item 5180-001-0001 be increased by \$907,000 in 2024-25 and \$883,000 in 2025-26 and ongoing to implement the legislation.
- **Refugee Internet Resources**, Chapter 399, Statutes of 2023 (SB 465). CDSS requests that Item 5180-151-0001 be increased by \$82,000 in 2023-24 to implement the legislation.
- **Elderly and Dependent Adult Abuse - Mandated Reporting**: Chapter 580, Statutes of 2023 (AB 1417). CDSS requests that Item 5180-001-0001 be increased by \$173,000 in 2024-25 and \$169,000 in 2025-26 on a limited-term basis to implement the legislation.

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

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

1. Please provide a brief overview of the CDSS May Revision budget and caseload adjustments for CDSS.

**Issue 3: California Department of Social Services – May Revision Trailer Bills**

**Trailer Bills – Governor’s May Revision.** The May Revision includes the following new trailer bills under CDSS:

- **Permanent Foster Care Rate Structure.** This trailer bill makes various changes to the department’s proposed permanent foster care rate structure based on stakeholder feedback received after the initial version was published in February.
- **Information Sharing for Small Family Child Care Homes.** This trailer bill seeks to amend Health and Safety Code section 1596.86 to increase the accessibility and transparency of licensed small family daycare home information. It would bring CDSS into compliance with federal funding requirements for consumer and provider education by making specified information for licensed small family daycare homes publicly available to parents searching for child care options for their children. This language also proposes to make technical conforming changes to Government Code section 7927.305.
- **Facility Inclusion for Community Care Expansion Preservation Program.** This trailer bill authorizes CDSS to accept an alternative legally enforceable agreement in lieu of a deed restriction for a facility awarded Community Care Expansion (CCE) funding and that seeks to receive Capitalized Operating Subsidy Reserve (COSR) funds, to demonstrate the requirement to provide licensed residential care for at least the term of the reserve. This statutory amendment will allow licensed facility operators who have operational gaps and are at risk of closure to have greater access to operational funds from the CCE program. This change helps restore equity between facility operators who own their facility and those who lease the property where they operate their licensed facility, particularly for operators participating in the CCE Preservation Program. No budgetary resources are required to enact this proposed amendment.
- **Federal Reporting and Communication Requirements with National Center for Missing and Exploited Children.** This trailer bill would update state law to (1) mirror the additional federal reporting and communication requirements on states, for county child welfare agencies and probation departments when reporting missing youth to law enforcement authorities for entry into the National Crime Information Center (NCIC) database and the National Center for Missing and Exploited Children (NCMEC), and (2) clarify counties are authorized to share information from juvenile case files with the NCMEC, a nonprofit entity.
- **Specialized Care Increment Eligibility.** This trailer bill would allow Tribes with a Title IV-E agreement with the state to create their own Specialized Care Increment (SCI) rate-setting system for children under their jurisdiction. The proposed changes also explicitly clarify that children under county jurisdiction placed in a tribally approved home may receive the county’s SCI, where applicable.
- **Resource Family Approval Program Alignment with Emergency Caregiver Funding Program.** This trailer bill would align the 90-day Resource Family Approval (RFA) application processing time frame with the 120-day Emergency Caregiver (EC) Funding time frame.

- **State and Federal Kinship Guardianship Assistance Payment Program Alignment.** This trailer bill would: (1) eliminate the \$10,000 cash savings and personal property asset limits for children and nonminor beneficiaries of the state- and federally-funded Kinship Guardianship Assistance Payment (Kin-GAP) programs and (2) clarify income and property received after the start date of aid shall be disregarded. These limits are not required by federal law and are barriers to saving for a successful transition to adulthood for children and non-minors who receive Kin-GAP benefits.
- **Excellence in Family Finding, Engagement, and Support Program.** This trailer bill would authorize a participating county or tribe in the Excellence in Family Finding, Engagement, and Support (EFFES) Program, which does not have sufficient caseload, as determined by the California Department of Social Services (CDSS), for a full-time family-finding worker to submit a written request to CDSS for authorization to use program funding for a portion of a full-time position for family-finding activities. This helps alleviate challenges for small counties and tribes and removes a barrier preventing these counties and tribes from accessing one-time funding for the program.
- **SNAP Reimbursement.** Existing law provides for the establishment of a statewide electronic benefits transfer (EBT) system, administered by the State Department of Social Services, for the purpose of providing financial and nutrition assistance benefits. Existing state regulations, under the 2020 *Ortega v. Johnson* appellate court ruling, allow for the replacement of CalFresh food benefits, known federally as the Supplemental Nutrition Assistance Program (SNAP), and California Food Assistance Program (CFAP) food benefits that have been stolen via electronic theft using state funds. Existing federal law provides for the replacement of SNAP benefits, and Disaster SNAP benefits, known in California as Disaster CalFresh, that have been stolen via electronic theft, such as EBT card skimming, cloning, scamming, and other similar fraudulent methods between October 1, 2022 through September 30, 2024 using federal funds. This trailer bill codifies the policy for reimbursing electronically stolen CalFresh food benefits that was established under federal guidance, thereby overriding the former state benefit replacement policy established as a result of the *Ortega* court ruling and allowing for continuity of the current policy. The proposal also stops state-funded replacements of stolen CalFresh, if at any point federally funded replacements are again available.
- **Tribal Nutrition Assistance Program.** This trailer bill would remove language referencing the Food Distribution Program on Indian Reservations (FDPIR) from the Tribal Nutrition Assistance Program (TNAP) authorizing statute in Welfare and Institutions Code Section 18936. Removal of the FDPIR verbiage from statute ensures access to TNAP funds to combat food insecurity in Native American communities across California, as intended when TNAP was authorized.
- **CalWORKs Intensive Case Management Hourly Increase Pause.** This trailer bill removes the requirement that intensive case management hours budgeted per case per month increase from 8.75 to 10 hours for 2024-25. This aligns with the proposed Governor's Budget solution to freeze case management hours, generating \$47 million in ongoing savings.
- **California Food Assistance Program (CFAP) Elimination of Comparable Disqualification.** This trailer bill would eliminate the Welfare-to-Work (WTW) comparable disqualification policy for the California Food Assistance Program (CFAP) to maintain alignment with current CalFresh

policy and ensure equity between CFAP and CalFresh recipients. CalFresh is set to eliminate comparable disqualifications for WTW sanctions effective August 1, 2024. Currently, the change proposed is set to occur in 2027-28. This trailer bill would expedite eliminating the requirement in order to avoid CFAP and CalFresh misalignment.

- **Family Reunification Delay Implementation.** AB 135 (Chapter 85, Statutes of 2021) enhanced CalWORKs Family Reunification (FR) services by authorizing a cash grant and child care services to families who have a child removed from the home and have been determined eligible for FR, effective July 1, 2022. Due to unforeseen challenges in implementing these policy changes, CDSS did not issue the instructions until November 2023 through All County Letter (ACL) 23-94, which initiated the CalSAWS automation process. CalSAWS notified CDSS that automation is anticipated to be completed in November 2024. This proposal seeks to extend the implementation date of eligibility for the cash grant and child care services from July 1, 2022, to July 1, 2024, or when CalSAWS is able to automate the features necessary for implementation, to be consistent with the updated timing of implementation.
- **CalWORKs MAP Increase.** This trailer bill would effectuate the 0.3 percent increase to the CalWORKs Maximum Aid Payment, effective October 1, 2024. This is a smaller amount than the 0.8 percent grant increase projected at Governor's Budget.
- **Data Sharing to Quantify the Impacts of the Safety Net on the Whole Californian.** This trailer bill provides statutory authority for CDSS to receive data to measure and report outcomes related to housing stability of Californians currently or potentially participating in CDSS programs, including but not limited to CalFresh, CalWORKs, housing and homelessness programs, and Guaranteed Income.
- **California Food Assistance Program (CFAP) Overissuance Retention Rates.** At the time of this writing, this trailer bill was pending.
- **IHSS Permanent Backup Provider System.** This trailer bill would sunset existing law establishing the statewide permanent backup provider system to implement the May Revision proposal to eliminate funding for this program.
- **Work Incentive Nutrition Supplement (WINS) Program.** At the time of this writing, this trailer bill was pending.
- **IHSS for Undocumented Individuals.** At the time of this writing, this trailer bill was pending.

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

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

1. Please provide an overview of CDSS May Revision trailer bills.