

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.



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State Capitol - Room 3191

Consultant: Renita Polk

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5180 DEPARTMENT OF SOCIAL SERVICES - CALWORKS

The revised 2020-21 budget includes \$6.5 billion in total funds for the CalWORKs program and estimates an average monthly caseload of 405,317. \$3.6 billion is for local assistance in 2020-21. The 2021-22 budget includes \$7.2 billion in total funds for the program and estimates an average monthly caseload of 482,436 (19 percent increase over the current year caseload). Of that \$7.2 billion, \$4.4 billion is for local assistance.

Issue 1: CalWORKs COVID-19 Relief

Governor’s Proposal. The Governor’s budget includes \$18.2 million in 2020-21 and \$46.1 million in 2021-22 to provide a time-on-aid exemption in the CalWORKs program. Additionally, the Governor’s budget includes \$1 million (\$250,000 General Fund) in 2020-21 to provide clients with broad access to new learning platforms and technologies.

Background. On March 4, 2020, Governor Newsom declared a state of emergency; President Trump declared a national emergency on March 13, 2020. The funding granted from the emergency declarations for DSS programs is to provide for the mass care, food, shelter, and essential services necessary to ensure the safety and protection of vulnerable Californians in this time of crisis. DSS continues to provide funding through the regular budget process, the federal Coronavirus Relief Funds (CRF), and the Disaster Response-Emergency Operations Account.

CalWORKs Time-on-Aid Exemption. The budget includes funding to continue to exempt any month or partial month of CalWORKs aid or services from counting toward the CalWORKs 48-month time limit based on a good-cause exemption due to the COVID-19 pandemic through April 2022, preceding the May 2022 change in the CalWORKs lifetime limit to 60 months. This will apply to all current CalWORKs recipients, unless they have already exceeded the federal time-on-aid limit or have another clock stopper or time-on-aid extender (approximately 800 cases based on Welfare Data Tracking Implementation Project data from October 2020) in place. Examples of other clock stoppers include if an individual is disabled or 60 years or older.

Supporting Success for Remote Clients. The budget also includes funding to provide clients with broad access to new learning platforms and technologies, such as remote lessons on basic literacy, math for daily life, citizenship and civic courses, skills assessments, and certifications as well as loaner laptops and hotspots, to help them on the path to economic independence and wellbeing. Public health guidance related to the pandemic has created barriers to the ways the counties have traditionally served clients and recipients. As a result, the potential for clients to succeed in self-sufficiency efforts has been severely impacted. This funding is expected to serve 4,000 individuals in both the CalWORKs Welfare-to-Work and CalFresh Employment and Training programs over six months beginning in January 2021.

Staff Comment and Recommendation. Hold open.

In its recent publication “The 2021-22 Budget: Analysis of the Governor’s CalWORKs Proposals,” the Legislative Analyst’s Office (LAO) describes a recent and significant drop in CalWORKs

caseload to a new all-time low in November 2020¹. This drop in caseload is particularly concerning during a time of economic strain as it goes against expected trends. Additionally, the LAO pointed out that a larger share of applications has been denied compared to recent years (60 percent versus 48 percent) and that the exit rate has accelerated in October and November of 2020. Note that November 2020 is the most recent month for which data is available. The department is currently working to better understand these trends. The Subcommittee may wish to follow up on this analysis in a future hearing to ensure that all eligible families are being reached by the program.

Questions.

1. Please detail the budget proposals related to CalWORKs COVID-19 relief.
2. Please detail the recent trends in CalWORKs caseload, application denials, and exit rate.
3. How is the department working to ensure that all eligible families are being served by the CalWORKs program during this time of economic crisis?

¹ <https://lao.ca.gov/Publications/Report/4341>

Issue 2: CalWORKs Grant Increases

Governor's Proposal. The budget includes a 1.5 percent increase to CalWORKs maximum aid payment levels, effective October 1, 2021. This increase is estimated to cost \$50.1 million in 2021-22 and will be funded entirely by the Child Poverty and Family Supplemental Support Subaccount.

Background. The Child Poverty and Family Supplemental Support Subaccount is used to fund CalWORKs assistance grant increases, as well as the repeal of the Maximum Family Grant (MFG) rule, which took effect January 1, 2017. In conjunction with the Governor's Budget in January and the annual May Revision, the Administration provides estimates of the total amount of funding that will be in the subaccount. If that amount is not enough to fully fund the costs of all the CalWORKs assistance grant increases already provided plus the MFG repeal, the state General Fund makes up the difference. If there is more funding in the subaccount than is needed to fund all the CalWORKs assistance grant increases and the MFG repeal, then an additional grant increase is triggered that equals an amount that the available funding is estimated to support. There is estimated to be \$513.9 million and \$506.3 million in the Child Poverty and Family Supplemental Support Subaccount in fiscal years 2020-21 and 2021-22, respectively. The Administration indicates that there will be enough to fully fund the previous grant increases and MFG repeal in 2020-21.

Previous Budget Actions. The 2018 budget increased the maximum aid payment (MAP) amounts for CalWORKs recipients by 10 percent effective April 1, 2019, and included \$90 million in 2018-19 and \$360 million annually thereafter. Trailer bill language also stated the intent of the Legislature to provide future grant increases in 2019-20 and 2020-21 to increase grants to no less than 50 percent of the federal poverty level (FPL). The 2019 budget included \$331.5 million in 2019-20 and \$441.8 million annually thereafter to increase MAP amounts so grants for assistance units (AUs) of one person were at 50 percent of the 2019 FPL. Grants for all other AU sizes were increased to no less than 47 percent of the 2019 FPL.

This proposed grant increase will bring MAP levels to \$891 per month for an assistance unit of three residing in a high-cost county. This is part of a multi-year strategy to ensure that all CalWORKs families live above 50 percent of the FPL. The MAP increase set for October 2021 would bring families to 49 percent of the 2020 FPL.

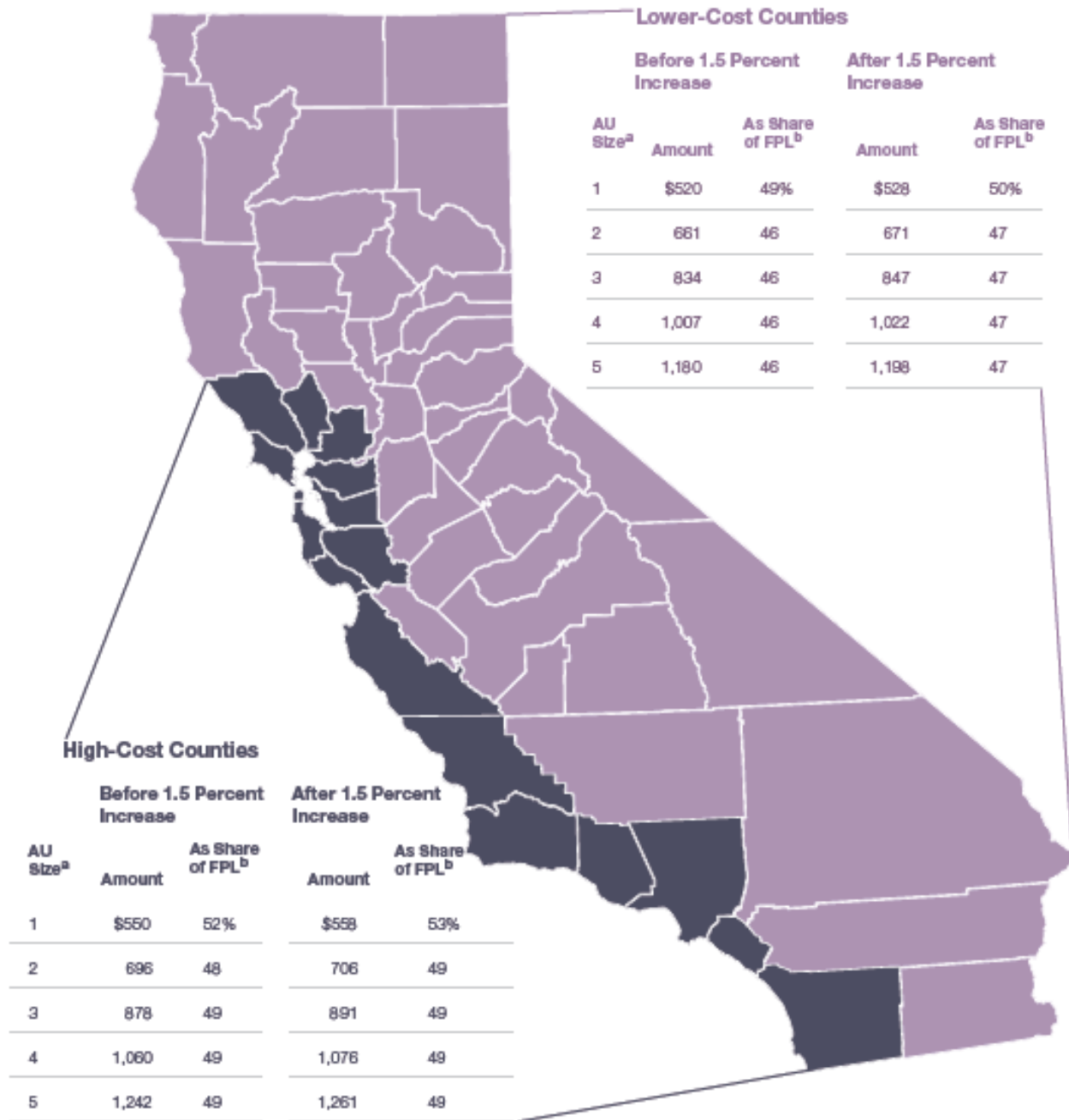
Staff Comment and Recommendation. Hold open.

Questions.

1. Please provide a brief overview of the proposal and the steps remaining to achieve the statutory goal of ensuring no CalWORKs family is living below 50 percent of the federal poverty level.

Governor's Budget Includes 1.5 Percent Increase to CalWORKs Grants

As Shown, for CalWORKs Families With No Other Income



^a Assistance unit (AU) size is the number of family members who are eligible for CalWORKs.

^b Share of 2020 FPL guideline for a family size equal to AU size.
FPL = federal poverty level.

5180 DEPARTMENT OF SOCIAL SERVICES – CALFRESH/FOOD ASSISTANCE PROGRAMS

The revised 2020-21 budget includes \$2.1 billion (\$730.4 million General Fund) for CalFresh administration. In 2021-22, the proposed budget includes \$2.4 billion (\$909.3 million General Fund), which represents a projected increase of \$355 million (\$178.9 million General Fund) from 2020-21. The revised budget estimates a caseload of 2.7 million for 2020-21 and a caseload of 3.2 million for 2021-22.

The budget includes \$86.8 million General Fund in 2020-21, an increase of \$11.8 million General Fund from the 2020 Budget Act, for the California Food Assistance Program (CFAP). The budget also includes \$97.1 million General Fund in 2021-22, a projected increase of \$10.3 million General Fund from 2020-21. This funding includes 12 months of Emergency Allotments in 2020-21 and six months of Emergency Allotments in 2021-22.

Issue 3: CalFresh/Food Assistance COVID-19 Relief

Governor’s Proposal. The Governor’s budget includes \$56.4 million total funding for COVID-19 relief in 2021-22 and \$195.9 million total funding in 2020-21 for CalFresh and other food assistance programs.

Background. On March 4, 2020, Governor Newsom declared a state of emergency; President Trump declared a national emergency on March 13, 2020. The funding granted from the emergency declarations for DSS programs is to provide for the mass care, food, shelter, and essential services necessary to ensure the safety and protection of vulnerable Californians in this time of crisis. DSS continues to provide funding through the regular budget process, the federal Coronavirus Relief Funds (CRF), and the Disaster Response-Emergency Operations Account.

Increased Federal Support. The federal government has provided additional CalFresh benefits over the past year. The CARES Act increased CalFresh benefits to the maximum amount allowable by household size from March 2020 through the duration of the public health emergency. The most recent federal relief, passed in December 2020, further increased CalFresh benefits by 15 percent from January 2021 to June 2021.

Pandemic Electronic Benefit Transfer (P-EBT) Transaction Cost and Extension. The Governor’s budget includes \$47.1 million (\$34.3 million General Fund) in 2020-21 for the administration of the P-EBT program. The initial P-EBT program provided federal food benefits to children missing school meals from mid-March through mid-June 2020. Applications continued to be processed through August 2020 with benefit payments made in 2020-21, which required \$2.9 million (\$1.5 million General Fund) in transaction costs to shift from 2019-20 to 2020-21. The P-EBT transaction cost is funded 50 percent federal and 50 percent GF, which is being replaced with federal CRF for the expenditures through December 30, 2020.

An additional 102,000 children were identified as eligible for P-EBT after the September 30, 2020 deadline. The costs related to benefits for these additional children are estimated to be \$21 million General Fund with costs related to the issuances at \$700,000. Since its inception, the P-EBT program

has issued \$2 billion in food benefits to 3.7 million California children. The General Fund associated with P-EBT is partially replaced with federal CRF. The Continuing Appropriations Act (2021) and Other Extensions Act (Public Law 116-159) extends P-EBT through the end of September 2021. That means that P-EBT is now available for the entire 2020-2021 school year. Administrative costs for this extension will be 100 percent federally funded. Implementation of this extension is in progress.

California Food Assistance Program (CFAP). The Governor's budget includes \$22.8 million General Fund in 2020-21 and \$11.4 million General Fund in 2021-22 for CFAP Emergency Allotments. Emergency Allotments, as authorized by the Families First Coronavirus Response Act, bring all CalFresh households to the maximum allotment for their household size. Issuances related to CFAP must be covered by General Fund, which is being partially replaced with federal Coronavirus Relief Funds. Issuances will continue each month until the Public Health Emergency Declaration ends. The budget reflects anticipated costs through December 2021.

COVID-19 Food Bank Support. The Governor's budget includes \$125 million federal CRF in 2020-21 and proposes \$30 million General Fund in 2021-22 for COVID-19 Food Bank Support, and \$15 million federal CRF in 2020-21 for COVID-19 Food Bank Diaper Support. Note that the \$125 million in CRF are not new funds and have been spent.

Supporting Success for Remote Clients. The Governor's budget includes \$1 million (\$250,000 General Fund) in 2020-21 to provide clients with broad access to new learning platforms and technologies. This proposal is discussed in more detail in the previous agenda issue item.

Staff Comment and Recommendation. Hold open.

The CFAP provides state-funded food benefits for legal noncitizens who meet all CalFresh eligibility criteria except for their immigration status. To be eligible for CalFresh, legal noncitizens must have been in the country for five years, disabled, a member of certain refugee communities, under the age of 18, or over the age of 59. The CFAP serves all other legal noncitizens. However, many other immigrants are unable to access CalFresh or CFAP. The Subcommittee may want to inquire about the feasibility of expanding CFAP to all Californians ineligible for CalFresh solely due to their immigration status. Staff notes that many immigrants not eligible for CFAP or CalFresh are getting food from food banks, increasing demand on them.

Despite the federal and state interventions, the most recent data show that overall food insecurity has spiked to more than 25 percent of California households – that is approximately 10 million people, since COVID². Additional funding for emergency food and food banks in the 2020 budget was \$175 million one-time (including state and federal funds). Food banks have reported that funding will last through April 2021, at the latest. Food banks are reporting record demands and estimate they will need to double the volume of food boxes to meet the need across the state. The Governor's 2021 budget proposes a total of \$65 million (state and federal funds) for emergency food and food banks, a reduction of \$110 million from the 2020 Budget. The Subcommittee may want to discuss options for providing additional support to food banks.

² Schanzenbach, Diane, and Natalie Tomeh. Visualizing State Food Insecurity. Northwestern University Institute for Policy Research. <https://www.ipr.northwestern.edu/state-food-insecurity.html>.

In this time of economic crisis when food insecurity is increasing, the state needs to ensure that all eligible Californians are accessing the CalFresh program. Staff notes the state has one of the lowest CalFresh participation rates in the nation, and that is even more pronounced when looking at seniors and individuals with disabilities. The Subcommittee may want to inquire about how the department is ensuring all eligible Californians are enrolled in the program. Additionally, the Subcommittee may want to consider actions that would help eligible Californians enroll in CalFresh. For example, requiring the department to implement a simplified application for older adults.

Due to the timing of the recent Congressional action and Presidential approval, the DSS budget will need to be adjusted to reflect the additional federal support coming to California.

Questions.

1. Please provide a brief overview of budget proposals related to food assistance and COVID-19 relief.
2. Has the Administration determined how the December federal COVID relief legislation will affect the DSS budget? If so, how?
3. Please discuss the impact of COVID on hunger in California, and identify any communities that have been especially impacted. How is the department working to reach out to these communities?

Issue 4: Supplemental Nutrition Benefit (SNB)/Transitional Nutrition Benefit (TNB) Programs

Governor’s Proposal. The Governor’s budget includes \$58.7 million General Fund in 2020-21 and \$81.7 million General Fund in 2021-22 to update the SNB and TNB benefit tables. Automation funding of \$88,000 is proposed to make the update in the Statewide Automated Welfare System (SAWS).

Background. The SNB and TNB programs are part of the CalFresh expansion to SSI/SSP recipients that went into effect in June 2019. The SNB program provides state-funded nutrition benefits for households that include at least one SSI/SSP recipient and would have had their CalFresh benefits reduced when the SSI/SSP recipient is added to the household. The TNB program provides state-funded nutrition benefits for households that include at least one SSI/SSP recipient and would have become ineligible for CalFresh benefits when the SSI/SSP recipient is added to the household.

The SNB and TNB benefit tables were established based on point-in-time assumptions developed from sample data on CalFresh household characteristics and income levels. Since implementation, actual data suggests the distribution and the net benefit loss experienced by recipients is different from the original estimate. The average monthly benefit will increase from \$102.77 to \$172.33 for SNB households and \$182.98 to \$259.40 for TNB households. The new benefits can be issued only after automation is complete which may occur after July 1, 2021, and therefore reduce benefits cost in 2021-22.

Staff Comment and Recommendation. Hold open.

The SNB and TNB programs were designed to “hold harmless” families that may have been adversely affected when CalFresh was opened up to SSI/SSP recipients. Currently, participants in the CalFresh program can receive a replacement of their benefits during a disaster. However, SNB & TNB beneficiaries cannot replace these benefits when they need them most. Staff notes that this creates an inequity between the CalFresh and SNB/TNB programs. The Subcommittee may want to inquire about the feasibility of providing the same replacement for these households. The department has estimated that costs for replacement benefits in these programs, if they had been available from September 2020 to November 2020, would have resulted in roughly \$93,698 of benefits. Automation would be required to issue replacement benefits and the timing and costs of automation are unknown at this time.

Recent data from DSS show a decline in TNB enrollment, which under the program design means a potential lifetime loss of this benefit. Note that households may be added back into the program within a 30-day window after missing their recertification deadline, once they complete the recertification process. Since recertifications began in July 2020 close to 4,000 households have left the TNB program, and roughly 1,200 of those families returned to the CalFresh program. The Subcommittee may want to inquire about the feasibility of pausing recertifications during the pandemic or granting other flexibilities for the programs that have been granted for CalFresh during the pandemic.

Questions.

1. Please provide an overview of the budget proposal.

2. What is the feasibility of allowing SNB and TNB recipients to receive replacement benefits?
3. Please detail the recent trends in TNB and SNB enrollment.

Issue 5: BCP – CalFresh Operations Support

Governor’s Proposal. The Governor’s budget includes \$554,000 (\$332,000 General Fund) in 2021-22 and \$521,000 (\$313,000 General Fund) ongoing to add two Staff Service Manager II positions and one Informational Technology Specialist II position. The proposal also includes making permanent the position authority for nineteen existing limited-term positions.

Background. DSS oversees seven federal food programs, including CalFresh, known federally as the Supplemental Nutrition Assistance Program (SNAP), which provides monthly food benefits to low-income individuals and families and economic benefits to communities. CalFresh is the largest food program in California and provides an essential hunger safety net. CalFresh is federally mandated and in California, is state-supervised and county-operated.

CalFresh Operations Bureau. The Operations Bureau currently includes one Technical Assistance (TA) and Evaluation Section and one Quality Control (QC) and Improvement Section and is responsible for examining county welfare departments’ CalFresh operations to determine compliance with both state and federal SNAP regulations and supporting client access. Recent events, specifically the 2019 expansion of CalFresh to Supplementary Security Income (SSI) recipients and the coronavirus pandemic, have increased CalFresh caseload and impacted the workload of the CalFresh TA and Evaluation Section. From May 2019 to May 2020, the total number of CalFresh households statewide increased from 1.8 million to nearly 2.6 million, representing over a 38 percent increase. A higher caseload size results in more county reviews being conducted, as the frequency of reviews is based on county CalFresh caseload size.

CalFresh Programs Bureau. The CalFresh Programs Bureau includes the CalFresh Outreach Unit, three Food Distribution Units (FDUs), and the CalFresh Healthy Living Section. The three FDUs primarily manage DSS’s emergency food programs via a network of food banks. These emergency programs include the Emergency Food Assistance Program (TEFAP), the Commodity Supplemental Food Program, and other state-funded programs connected to food banks such as the Diaper Bank program.

CalFresh Policy and Employment Bureau. The CalFresh Policy and Employment bureau currently includes the Policy Section and the CalFresh Employment and Training (E&T) Section. The CalFresh E&T program provides CalFresh recipients with opportunities to gain skills, training, and/or experience that will improve their employment prospects and reduce their reliance on CalFresh benefits. California’s E&T program currently operates in 37 counties with an annual budget of over \$110 million. As part of efforts to support counties and third-party providers in expanding access to E&T services, DSS is leading the development of the “CalFresh Confirm” tool. CalFresh Confirm is a new tool developed by the CalFresh E&T Program that allows authorized users to confirm CalFresh eligibility to seek CalFresh E&T reimbursement for employment and training services provided to CalFresh recipients. CalFresh Confirm will require ongoing management and maintenance to certify appropriate agreements are established with authorized users, only authorized users are accessing the system, and that authorized users are receiving adequate support. Currently, the CalFresh Confirm tool has no dedicated staffing in CDSS’ Information Systems Division (ISD).

DSS has made significant changes over the past few years to expand the program's reach. While CalFresh's program access measurement of how many people are served relative to the total number who are eligible has increased from approximately 55 percent to over 70 percent in the last few years, there are still many eligible Californians who need food assistance. Improvements must also be made to retain eligible households and provide benefits without unnecessary interruption. Recently, as a result of the COVID-19 pandemic, the CalFresh program is serving a record number of eligible Californians, reaching over 4.5 million individuals in May 2020. The requested positions in the units identified above will allow the department to support continued access among eligible Californians with improved customer service, while also maintaining compliance with state and federal regulations.

Staff Comment and Recommendation. Hold open.

Questions.

1. Please provide a brief overview of the proposal.
2. While tremendous progress has been made toward enrolling all eligible Californians, the state still has one of the lowest participation rates in the nation. How will the expansion of the CalFresh branch enable more eligible people to benefit from the program?

5180 DEPARTMENT OF SOCIAL SERVICES – HOUSING AND HOMELESSNESS PROGRAMS

DSS' Housing and Homelessness Branch (HHB) team has effectively designed and stood up pilot programs to support critical needs in local communities through the development of the Housing Support Program (HSP), Bringing Families Home (BFH), Housing and Disability Advocacy Program (HDAP), Home Safe and Project Roomkey. These programs serve a significant portion of the population of Californians experiencing homelessness. In 2019-20, CDSS supported counties and tribes providing critical housing interventions to over 100,000 families and individuals experiencing homelessness or housing instability. The HHB team worked with over 200 local programs to provide intensive technical assistance and oversight to deliver these supports.

Issue 6: Rehabilitation of Adult Residential Facilities/ Residential Care Facilities for the Elderly

Governor's Proposal. The Governor's budget includes \$250 million General Fund in 2021-22 for the acquisition and/or rehabilitation of Adult Residential Facilities (ARF) and Residential Care Facilities for the Elderly (RCFE) available to individuals who are homeless or at risk of becoming homeless. These funds will further stabilize ARFs and RCFEs, including physical upgrades and capital improvements. According to the department, there is a significant need for this funding as many facilities are at risk of closing due to the economic recession caused by the COVID-19 pandemic. Grants would be provided to local governments and a portion of the funding will be used for state operations.

Background. Over 200,000 Californians live in ARFs or RCFEs. These are adults who cannot live independently due to physical limitations or behavioral health needs and depend on licensed residential care facilities for housing and assistance with activities of daily living (ADLs). These facilities, commonly referred to as board and care or assisted living facilities, are licensed by the DSS Community Care Licensing Division (CCLD) as Adult Residential Facilities (ARFs) or Residential Care Facilities for the Elderly (RCFEs). ARFs serve adults ages 18 to 59 and RCFEs serve those 60 and older. All facilities serve individuals with differing needs. Those individuals include people with disabilities, cognitive impairments, and mental and behavioral health needs. ARFs and RCFEs do not provide medical services, but rather provide 24-hour, assistance with ADLs, such as meals, help with toileting or bathing, transportation to appointments in the community, and medication management. The average cost of care in an RCFE ranges from a low of around \$900 a month for a resident on SSI to over \$5,000 a month for residents who pay privately.

How individuals pay for these facilities varies. Some residents pay out of their pocket. Other times facilities are reimbursed 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 SSI rate with the NMOHC supplement is \$1,217.37 per month for an individual. This amount 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. As a result, few facilities are willing to take residents who receive SSI/SSP income.

The Social Security Administration (SSA) reports the number of SSI/SSP recipients who are receiving the NMOHC rate. According to the SSA, the NMOHC rate is distributed to about 45,500 individuals statewide. However, data limitations make it difficult to accurately estimate how many SSI/SSP recipients receiving this rate reside in these facilities. CCL reports that from 2014-15 to 2018-19 the number of licensed ARFs has increased by 132 facilities, while the capacity of these facilities has decreased by 1,572. The number of licensed RCFEs has decreased by 187, but the capacity has increased by 9,159. This suggests newly opening RCFEs have a larger capacity than those that closed, while newly opened ARFs have less capacity than those that closed.

Staff Comment and Recommendation. Hold open.

With the Governor's budget proposal including funding to stabilize ARFs and RCFEs, the Legislature must have an understanding of what services these homes provide, who they serve, and their capacity. As conversations around these types of facilities have increased, in part due to the Governor's proposed budget, questions remain surrounding the scope of the supply and demand of these facilities. Various stakeholders have expressed concerns surrounding reports that board and care facilities are closing at an increased rate and that these closures could be caused, in part, by the low reimbursement rates for facilities that accept SSI/SSP recipients and facilities' generally high operating costs. However, there is limited data detailing the reasons why facilities are closing. This proposal would help sustain facilities with deferred maintenance needs but would not stabilize these facilities in the long-term. The subcommittee should inquire about the reach of the proposed \$250 million and how this funding will impact operations of ARFs and RCFEs in the long-term.

The Administration has indicated that budget bill language, and not trailer bill, will accompany this proposal. Staff notes that lack of trailer bill language would significantly limit the Legislature's oversight of the program. The Subcommittee should inquire as to why the Administration chose to not implement this proposal through trailer bill language. Additionally, staff urges the Subcommittee to consider implementing this proposal through trailer bill.

The Administration includes this proposal as part of its homelessness package. Yet there is limited data on how the role ARFs and RCFEs play in addressing homelessness. The Subcommittee may want to consider options to provide accountability and address homelessness. For example, the provision of funds could be granted contingent on facilities providing a certain number of beds for those at risk of homelessness. The concerns listed above, as well as others, are detailed in a recent LAO report³ entitled "The 2021-22 Budget: Analysis of Housing and Homelessness Proposals."

Note that the Community Care Licensing Division, which oversees the licensing of these facilities will be heard in this Subcommittee on March 2, 2021.

Questions.

1. Please provide detail on how the funding for ARFs and RCFEs will be distributed. Will facilities apply for the funding? Will the funding be in the form of a grant or will it need to be repaid? Will the state require facilities to care for individuals who receive SSI to receive funding?

³ <https://lao.ca.gov/Publications/Detail/4352>

2. What is the estimated number of facilities that could benefit from the \$250 million for ARF/RCFE upgrades? How does this compare to the overall number of facilities throughout the state? How does this compare to the overall number of facilities in need of an upgrade?

Issue 7: BCPs – CalWORKs Homeless Assistance Program/Housing Support Program Resources

Governor’s Proposal. The Governor’s budget includes the following proposals for increased resources to support the CalWORKs Homeless Assistance Program (HAP) and the CalWORKs Housing Support Program (HSP).

- \$260,000 (\$38,000 General Fund) to support one Associate Governmental Program Analyst (AGPA) and one-half (0.5) Staff Services Manager I (SSM I) to provide adequate ongoing county technical assistance and oversight as well as implementing the ongoing and multiple policy changes associated with SB 1065 (Hertzberg), Chapter 152, Statutes of 2020.
- \$350,000 (\$178,000 General Fund) to support one Staff Services Manager I (SSM I) and one Associate Governmental Program Analyst (AGPA) for the CalWORKs HSP.

SB 1065 Background. The HAP was established to help families in the CalWORKs program meet the costs of securing or maintaining permanent housing or to provide emergency shelter when a family is experiencing homelessness. SB 1065 makes ten distinct changes to the Homeless Assistance Program, which include repealing the \$100 asset limit, redefining eligibility criteria, requiring same-day payments, and expanding the availability of benefits for applicants that are fleeing domestic violence. The implementation of the policy changes will be a complex and ongoing workload for the staff at CDSS, beyond the initial implementing guidance. DSS estimates a timely, accurate implementation of SB 1065 will require: 1) a minimum of three initial statewide county letters 2) regulation updates; and 3) revisions to a minimum of three program forms in addition to various automation changes requiring meetings, research, and implementation.

Utilization of the program is also expected to increase as a result of SB 1065. Utilization of the program has increased each year since 2015-16 and DSS anticipates that trend will continue.

Fiscal Year	Families Served	Expenditures
2015 - 2016	34,968	\$30,201,101
2016-2017	50,518	\$43,323,428
2017-2018	63,890	\$54,096,667
2018-2019	64,094	\$62,279,210
2019- 2020	65,574	Expenditures not yet final

The requested AGPA will be responsible for, but not limited to, writing ACLs and All County Information Notices (ACINs) to formally advise counties on how to implement changes in the HA program. The requested SSM I will provide program oversight by reviewing the submitted ACLs and ACINs and revising emergency regulations.

CalWORKs HSP Background. The CalWORKs HSP was created via Senate Bill 855 (Committee on Budget and Fiscal Review), Chapter 29, Statutes of 2014 to foster housing stability for families experiencing homelessness in the CalWORKs program. HSP offers financial assistance and housing-related wrap around supportive services. To implement this program, counties require individualized and intensive technical assistance from DSS. DSS provides technical assistance in many forms, including providing statewide written guidance, statewide training opportunities, and webinars as

well as individualized resources directly related to each local community. DSS also convenes ongoing HSP seminars where HSP counties share best practices and outside experts present materials related to housing support.

DSS is requesting one AGPA position and one SSM I to support ongoing increases in technical assistance and policy development for the CalWORKs HSP. The requested AGPA will be involved in, but not limited to, drafting new regulations pertaining to the HSP and circulating them for review by all levels of management, and drafting memorandums and other various documents related to regulations development. The SSM I will be assisting with county inquiries, reviewing legislation, and coordinating department meetings. These positions will support the larger county caseload, as well as the ongoing policy and program guidance needs, critical to combat family homelessness. HSP state operations have remained stagnant over the past six years and this proposal requests resources to support the ongoing workload necessary to successfully administer HSP.

Staff Comment and Recommendation. Hold open.

Questions.

1. Please provide a brief overview of the proposals and their impact on the state's efforts to reduce homelessness.
2. How does HSP interact with other programs in DSS and other departments to target assistance to homeless individuals?

PROPOSALS FOR INVESTMENT

The Subcommittee has received the following proposals for investment related to the CalWORKs, CalFresh, and Housing and Homelessness 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. Global Telephonic Signature Solution

Budget Issue. The County Welfare Directors Association (CWDA) of California requests \$5 million General Fund in 2021-22 and \$1 million ongoing to provide a simple, global telephonic signature solution that could be used by any county human services program that does not otherwise have access to a method of recording and storing telephonic signatures.

Background. The COVID pandemic introduced temporary flexibilities allowing for signatures to be attested to by phone, waiving the usual requirement of recording and storing these telephonic signatures, when that functionality wasn't available. When the pandemic ends, many counties would like to continue to provide customers with the flexibility of using telephonic signatures yet cannot afford the cost of the technology and ongoing storage required to do so. This solution will allow counties who do not have their own telephonic signature solutions to offer applicants/recipients the ability to enroll and recertify in eligibility (e.g. CalFresh, CalWORKs, and Medi-Cal) and services (e.g. IHSS, transitional foster youth) programs over the phone, without having to enter an office, sign and mail back a document or go online. This solution would be managed by the CalSAWS project, leveraging their technical infrastructure, federal approvals to use cloud storage, and contracts to stand up a simple, non-integrated, telephonic signature solution. This will be a standalone solution, and will not integrate with SAWS, CMIPS, CWS/CMS, CWS-CARES, CalHEERS, etc.

Staff Comment and Recommendation. Hold open.

2. "Food for All" – Modernizing the California Food Assistance Program (CFAP)

Budget Issue. Nourish California requests up to \$6 million in 2021-22, \$12 million in 2022-23, and \$51 million in 2023-24 to expand the CFAP to provide state-funded nutrition benefits to anyone ineligible for CalFresh solely due to their immigration status.

Background. The pandemic and resulting economic crisis is exacerbating hardship across the state, particularly among low-wage immigrants and their families. While most 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 our state-funded CFAP. This proposal would allow noncitizen immigrants to be eligible for CFAP if they satisfy all other CalFresh eligibility criteria except the immigration status requirement.

Staff Comment and Recommendation. Hold open.

3. Simplified CalFresh Application for Older Adults and People with Disabilities and Ensuring Full Telephonic Access.

Budget Issue. Nourish California requests \$1 million General Fund in 2021-22 to design and integrate a user-centered, simplified CalFresh application for seniors and people with disabilities. Nourish California also requests that the 2021-22 budget include language ensuring that all CalFresh clients are able to complete all forms requiring a client signature entirely by phone upon completion of the CalSAWS consortia consolidation project in each county, respectively.

Background. COVID-19 is exacerbating already high levels of hunger and hardship, particularly among older adults and people with disabilities. As a proven positive public health intervention and powerful economic stabilizer, CalFresh has a critical dual role to play in California's immediate COVID-19 response and long-term recovery efforts. Yet, because of a complicated and burdensome application process, only 19 percent of eligible older Californians (age 60 or over) are enrolled in the program. In fact, California ranks last in the nation when it comes to enrolling eligible older adults in CalFresh (or SNAP, as it is known federally). In order to better connect older adults with ongoing federal food assistance, it is critical that every available option is exercised to simplify access to CalFresh.

Staff Comment and Recommendation. Hold open. Note that there is a pending policy bill, SB 107 (Wiener), associated with this request.

4. COVID Food Bank Support (State Emergency Food Boxes)

Budget Issue. The California Association of Food Banks requests \$110 million one-time for state emergency food boxes.

Background. Hunger is reaching new, tragic levels. Food insecurity has spiked to more than 25 percent of California households. An estimated 34.9 percent of Latinx households and 38.6 percent of Black households with children are facing harm from hunger. Food banks expect that demand will remain at double pre-pandemic levels for several years. Food banks continue to face extraordinary demand as well as higher than normal costs given the loss of many local agencies and the need to shift to direct, 'drive through' distributions. The requested funds would sustain food banks through the 2021-22 fiscal year. The state's support delivers boxes of staple items that families need and are in short supply because of the drop in donations from retailers, and facilitate safe, contact-free distributions. This program also supports jobs in the hard-hit food service sector, including thousands of Teamster members who are helping create the boxes that food banks distribute.

Staff Comment and Recommendation. Hold open.

5. Decreasing CalWORKs Family Stress during COVID-19 with Evidence-based Online Positive Parenting Programs

Budget Issue. Triple P (Positive Parenting Program) requests \$2.4 million one-time to be expended over three years to provide parenting support to CalWORKs families.

Background. Programs provided by Triple P are preventive in nature and may be offered entirely online and at the same strength as in-person services but at a much lower cost. The County of Santa Cruz has launched a small CalWORKs Triple P Online project with unspent local dollars that will work with their general CalWORKs population. Similar to that pilot, this proposal addresses the most at-risk subpopulations that can benefit from statewide leadership/coordination, particularly the Cal-Learn population which is scattered in small numbers across the 58 counties. Triple P fears that these small numbers, especially within rural communities make them more susceptible to falling through the cracks. The requested funds would provide positive parenting support to CalWORKs families experiencing the highest levels of stress and risk, including families in the 16 rural communities without access to the CalWORKs home visiting program and families at high risk for homelessness and child maltreatment.

Staff Comment and Recommendation. Hold open.

6. Pandemic Relief for CalWORKs Families

Budget Issue. The County Welfare Directors Association (CWDA) requests trailer bill language to exempt enhanced unemployment benefits that exceed the regular calculated unemployment benefit level and have been authorized because of a state or federal public health emergency, for purpose of determining eligibility for CalWORKs recipients and applicants. The CWDA also requests that government issued photo identification provided via video conference or other electronic means to meet the identification verification requirement for CalWORKs on an ongoing basis.

Background. During the COVID-19 pandemic, Americans receiving unemployment benefits have been eligible to receive additional (enhanced) weekly payments through the Federal Pandemic Unemployment Compensation Program (PUC). This benefit is currently counted as income for purposes of determining CalWORKs eligibility for applicants, but is excluded from being counted as income for recipients already on the CalWORKs program. This proposal aims to ensure that low-income families can continue to rely on CalWORKs while receiving other forms of pandemic or public health emergency-related relief payments during severe economic crises, while also enabling eligibility workers to meet the demand for CalWORKs benefits, now and in the future.

The pandemic also illustrates the difficulties created by in-person verification requirements for CalWORKs. State law requires that social services departments verify the identity of all adult applicants in the form of photo identification to complete the CalWORKs application and eligibility determination process. An Executive Order issued June of 2020 allowed for ID verification to be done electronically if a county office is closed, however now that many offices are now open, some with reduced hours, it is important that CalWORKs eligibility workers be able to conduct identity verification safely and remotely. This proposal would also allow government issued photo identification to be provided via videoconference or other electronic means that allows for visual interaction to meet the identification verification requirement for CalWORKs on an ongoing basis, regardless of whether a county office is closed.

7. CalWORKs Good Cause Clock Stopper

Budget Issue. The Western Center on Law and Poverty and the California Coalition of Welfare Rights Organizations request trailer bill language to stop the counting of months on aid due to an inability to participate in welfare to work activities.

Background. California provides exemption from welfare to work requirements in WIC 11320.3. Among the items that exempt participation is one related to good cause for not participating, which is normally when the county is unable to provide necessary services for the adult to participate such as child care or transportation. Without this exemption, a family could be subject to a cash grant sanction.

Prior to 2013, if a CalWORKs recipient received a good cause exemption for non-participation they also did not have that month counted towards their state 60-month time limit. After the passage of SB 1041 in 2012, this time clock stopper was removed. As a result, if a person cannot participate due to no fault of their own, they lose a month from their time clock. Last spring Governor Newsom issued executive order N-29-20 that stopped the counting of months on aid due to CalWORKs families inability to participate in welfare to work activities. This provision, however, expired on June 17th even though many families were still not able to participate. This change would ensure that families do not lose months in welfare to work when they do not have the necessary supportive services provided by the county.

Staff Comment and Recommendation. Hold open.

8. Temporary Assistance for Needy Families (TANF) Race Equity Research

Budget Issue. The Western Center on Law and Poverty and the California Coalition of Welfare Rights Organizations requests that the Legislature fund an exhaustive study of CalWORKs and the impacts it has on poor women of color.

Background. Historically, the TANF program has developed a rigorous compliance system that mandated work, time limited assistance, and imposed harsh sanctions on those who failed to comply. In California, adults with drug felony convictions were barred from receiving aid, monthly income reporting was required, and harsh resource limits for applicants and recipients were imposed. In recent years, the state has reversed many of the policies that perpetuated the punishment of poor women of color but the core TANF program exists to this day. Many key elements of TANF restrict state flexibility and result in outcomes for families that need to be changed. The goal of this budget request is to identify policy changes that the California Legislature can make to reduce racial inequities in the CalWORKs program and to establish the need for federal changes to the TANF statutes.

Staff Comment and Recommendation. Hold open. Costs associated with the requested study are unknown at this time.

9. CalWORKs Cal-OAR Policy Realignment Recommendations

Budget Issue. The Western Center on Law and Poverty and the California Coalition of Welfare Rights Organizations request trailer bill language that would adopt some or all of the department's recommendations for CalWORKs policy changes consistent with the goals of the Cal-OAR program.

Background. The 2019 budget included trailer bill language directing the department to form a stakeholder work group to recommend CalWORKs policy changes that are consistent with the goals of the CalWORKs Outcome and Accountability Review (Cal-OAR) program. The goal of Cal-OAR

is to continuously improve CalWORKs by tracking measurements of county performance and family outcomes and periodically making programmatic adjustments to improve the outcomes. Counties and advocates have both expressed an interest in reviewing the CalWORKs program to remove provisions that impede the success of Cal-OAR. The department held a series of meetings involving stakeholders, including CalWORKs recipients, to develop the recommendations. The department will be forwarding those recommendations shortly to the Legislature and the requestors encourage the committee to reach out to stakeholders and consider adopting all or some of the recommendations.

Staff Comment and Recommendation. Hold open.

10. CalWORKs Grant Increase

Budget Issue. Effective October 1, 2021, the Western Center on Law and Poverty and the California Coalition of Welfare Rights Organizations request \$450 million in 2021-22, and \$600 million ongoing to bring all CalWORKs grant levels to 55 percent of the federal poverty level.

Background. The 2018 Budget Act included a historic commitment to end deep childhood poverty by bringing all grants levels to 50 percent of the federal poverty level in California. The budget agreement stated the Legislature's intent to provide future grant increases in 2019-20 and 2020-21 and provided a three step process to increase CalWORKs grants. To meet this goal CalWORKs grants were increased by 10 percent effective April 2019, and increased again, effective October 2019, to bring grants up to no less than 50 or 47 percent of the poverty level, depending on assistance unit size.

Staff Comment and Recommendation. Hold open.

11. Redirection of Unallocated TANF/CalWORKs funds

Budget Issue. The Coalition of California Welfare Rights Organizations requests trailer bill language specifying that any unallocated TANF/CalWORKs funds be placed in the Child Poverty and Family Supplemental Support Subaccount and that the funding be used to bring CalWORKs grants up to 100 percent of the federal poverty level.

Staff Comment and Recommendation. Hold open.

12. CalWORKs Sanction Reform to Achieve Program Equity

Budget Issue. The Coalition of California Welfare Rights Organizations (CCWRO) requests trailer bill language that would limit sanctions and penalties within the CalWORKs program only to the extent required by federal law. If required by federal law, CCWRO requests that the sanction or penalty be the minimum allowable by federal law.

Background. According to the sponsors, sanctions and penalties are a source of inequity within the CalWORKs program. They are applied disproportionately against families of color and can cause more harm than good by exacerbating the impact of deep poverty on CalWORKs families.

Staff Comment and Recommendation. Hold open.

13. Reforming CalWORKs Aid to Pregnant Parents

Budget Issue. The Coalition of California Welfare Rights Organizations (CCWRO) requests trailer bill language that allows CalWORKs aid from the date of proof of pregnancy and exempts pregnant parents from welfare to work activities unless the parent volunteers to participate.

Staff Comment and Recommendation. Hold open.

14. Protecting Victims of Domestic Violence

Budget Issue. The Coalition of California Welfare Rights Organizations (CCWRO) requests trailer bill language requiring counties to issue domestic violence waivers to CalWORKs parents when they are deemed eligible for the waiver.

Background. Federal law allows states to issue “domestic violence waivers” to CalWORKs recipients found eligible. State law provides that if a CalWORKs recipient can prove they need a waiver then the county may grant a waiver. The sponsors purport that this is a highly subjective standard, leading to equity concerns. The requested language would require counties to issue a waiver when recipients can prove their need for it.

Staff Comment and Recommendation. Hold open.

15. Repeal the 100 Hour Rule for CalWORKs Two Parent Families

Budget Issue. The Coalition of California Welfare Rights Organizations (CCWRO) requests trailer bill language to repeal the 100-hour rule for two parent families in the CalWORKs programs.

Background. Under current law, families can lose eligibility if the principal wage earner was employed for 100 hours or more a month, even if the family's wages from employment were so low that the family would still be eligible. Economic stress can contribute greatly to family instability. Repealing the 100-hour rule will greatly reduce instability for low income families and inequities.

Staff Comment and Recommendation. Hold open.

16. Align the CalWORKs and CalFresh Rules for Beneficiaries with an Arrest Warrant

Budget Issue. The Coalition of California Welfare Rights Organizations (CCWRO) requests trailer bill language to align CalWORKs and CalFresh rules for beneficiaries with an arrest warrant.

Background. The rules for CalWORKs and CalFresh relative to how persons with an arrest warrant are treated are different, making the programs complicated. Aligning these rules would simplify the program for both beneficiaries and eligibility workers.

Staff Comment and Recommendation. Hold open.

17. Allow CalWORKs Children to Complete High School Until Age 20

Budget Issue. The Coalition of California Welfare Rights Organizations (CCWRO) requests \$2.4 million ongoing and trailer bill language to allow children on CalWORKs to complete their high school requirements before they reach the age of 20.

Background. Under current law, children on CalWORKs must complete their high school degree by the age of 19 to continue to receive CalWORKs benefits. This proposal will allow children to attend school as long as they can complete their requirements by age 20. Giving children an additional year will help avoid generational dependence on public benefits.

18. Reforming CalWORKs Homeless Assistance Program (HAP)

Budget Issue. The Coalition of California Welfare Rights Organizations requests trailer bill language to repeal the HAP's limit on receiving assistance once every 12 months.

Background. Under current law, receipt of assistance under HAP is limited to once every 12 months. Eliminating this provision will reduce homelessness of CalWORKs families and children enduring homelessness that can have a lifetime negative impact.

Staff Comment and Recommendation. Hold open.

19. Flexible Funding for County Human Services Department-Administered Housing Programs

Budget Issue. The County Welfare Directors Association (CWDA) requests \$100 million one-time to be available through the 2022-23 fiscal year to provide additional, flexible resources for DSS administered housing programs.

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. 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. This request would establish a pool of additional one-time funding for housing and homelessness prevention and intervention in order to mitigate the on-going and expected long-term impacts of the COVID-19 pandemic specifically for populations served by the CDSS safety net programs. The fund would be allocated to counties to supplement various CDSS-administered housing programs, allowing counties to direct the funds based on local needs and priorities to meet a broader range of housing needs.

Staff Comment and Recommendation. Hold open.

20. Statutory Flexibilities for the CalWORKs Housing Support Program (HSP) and the Housing and Disability Advocacy Program (HDAP)

Budget Issue. CWDA requests the following statutory flexibilities in the HSP and the HDAP

- For HSP, CWDA proposes to allow for interventions with clients to take place prior to the issuance of an eviction notice from a client's landlord.
- For HDAP, CWDA proposes to move from a grants-based to an allocation-based fund distribution process and to remove the interim assistance reimbursement (IAR).

Background. Counties operate an array of housing programs for those they already serve in larger safety-net programs that are tailored and targeted towards individuals who are homeless or at-risk of homelessness. However, these programs are often constricted in their use of funds, particularly for preventative purposes, or have some statutory limitations that are barriers to clients and counties utilizing the programs. Currently CalWORKs recipients are only eligible for HSP once they have received an eviction notice. Once an eviction notice is issued, families often have mere days to try to rectify the situation. This stress coupled with the trauma of losing one's home can cause negative impacts on families. With the additional flexibility of allowing for HSP services to be utilized as interventions for those at risk of homelessness, counties would have the ability to assist families prior to the deleterious impacts of receiving an eviction notice.

Counties are currently required to submit a lengthy application as well as an updated plan each year to receive HDAP funds, even though it is a long-established program. The application process leads to funding uncertainty for counties since they do not know from year to year whether their grant will increase or decrease or be approved at all. Other established programs within CDSS utilize an allocation-based distribution, which provides funding amounts to counties without an up-front application. There is still the ability to report on program outcomes and adjust funding levels as appropriate, but an allocation-based process provides for more predictable and timely funding.

The current IAR requirement in HDAP statute means that counties must ask a client if they will agree to reimburse the county once they receive their disability benefits check. Even though this agreement is voluntary (clients can say no and still receive HDAP services), counties have noted that having to ask this question discourages clients from joining the program. Rather than yield program savings as it was originally intended, the requirement has become a barrier to participation and an additional source of workload for county staff that is not directly related to the services these clients need.

Staff Comment and Recommendation. Hold open.