



CWDA

Advancing Human Services
for the Welfare of All Californians

State Budget Update #2 May Revision 2021-22 Budget

May 14, 2021 | 18 Pages

Governor Newsom released his May Revision budget proposal this morning, for the 2021-22 fiscal year. The following budget update summarizes the proposals and issues included in the May Revision impacting the health and human services area based on what we know so far. As of this writing, the detailed budget backup information for the California Department of Social Services (CDSS) was not yet available. As a result, we do not know the specifics of many proposals, nor do we have precise caseload and county administration allocation information for the CDSS programs. CWDA staff will continue to keep you updated in the coming weeks as we learn more details.

1991 REALIGNMENT

At the Governor's Budget, overall 1991 Realignment revenues were estimated to grow by about six percent in 2020-21 over the 2019-20 base, but then decline slightly in 2021-22. As of the May Revision, 1991 Realignment revenue projections have improved significantly. Overall revenues are now estimated to grow by about eight percent in 2020-21 and another four percent in 2021-22. This translates into a growth rate for the Social Services Subaccount of about four percent in 2020-21 and another 5.5 percent in 2021-22. The growth rate for the Social Services Subaccount is lower than the overall 1991 Realignment revenue growth rate because the Social Services Subaccount does not benefit from any of the growth in Vehicle License Fee revenues. Caseload growth, estimated to be about \$110 million in 2020-21 and another \$145 million in 2021-22, is fully funded.

2011 REALIGNMENT

At the Governor's Budget, 2011 Realignment sales tax revenues were estimated to grow by about five percent in 2020-21, but then decline slightly in 2021-22. As with

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1991 Realignment, 2011 Realignment revenue projections are also significantly improved as of the May Revision. 2011 Realignment sales tax revenues are estimated to grow by about nine percent in 2020-21 and another five percent in 2021-22. The base shortfalls in the Protective Services and Behavioral Health Subaccounts from 2019-20 are fully restored in 2020-21, and there is estimated growth of \$170.6 million for the Protective Services Subaccount and \$189.7 million for the Behavioral Health Subaccount. For 2021-22, growth is projected to be \$110.1 million and \$122.3 million for the Protective Services and Behavioral Health Subaccounts, respectively.

UNIVERSAL BASIC INCOME PILOT

The May Revision includes \$35 million GF over five years for Universal Basic Income pilot programs, which would be city or county administered, require a local-match commitment, and target low-income Californians.

HOUSING AND HOMELESSNESS

A significant amount of funding has been proposed in the May Revision for various housing and homelessness initiatives. The following investments have been proposed:

- o The CalWORKs Housing Support Program includes a proposed \$475 million GF in both 2021-22 and 2022-23.
- o \$280 million GF in both 2021-22 and 2022-23 to expand the Bringing Families Home Program. We understand that these additional funds would require a 25 percent county match.
- o The Home Safe program includes \$100 million GF in both 2021-22 and 2022-23. We understand that these additional funds would require a 25 percent county match.
- o \$175 million GF annually through 2023-24 to the Housing and Disability Advocacy Program. We understand that these additional funds would require a 25 percent county match. In addition, the Interim Assistance Reimbursement (IAR) has been waived temporarily through 2023-24.
- o Project Roomkey includes \$150 million one-time GF to support transitioning participants into permanent housing.

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- o \$2.75 billion one-time funds over two years for the additional acquisition and rehabilitation of facilities through the Homekey Program. A portion of this will be targeted to families experiencing homelessness.

MEDI-CAL AND HEALTH CARE SERVICES

Program Funding and Caseload

The total Medi-Cal budget is estimated to be \$120.1 billion (\$22.02 billion GF) in 2020-21 and \$129.2 billion (\$28.3 billion GF) in 2021-22 for the May Revision. The May Revision continues to assume sustained caseload growth through December 2021 due to the COVID-19 pandemic, but at lower levels than assumed when the proposed budget was released in January. The May Revision assumes that the average Medi-Cal caseload will total approximately 13.6 million beneficiaries in 2020-21 to approximately 14.5 million beneficiaries in 2021-22.

County Administration Funding

The proposed budget includes a total of \$2.2 billion (\$1.11 billion GF) in county administrative funding in 2021-22. This includes an increase of \$50.3 million (\$25.16 million GF) in 2021-22 based on an adjustment to the current funding level using the projected increase in the California Consumer Price Index. This increase is consistent with the current budgeting methodology agreed to by CWDA and the prior administration.

Investments in Children and Youth Behavioral Health

The May Revision introduces the new Children and Youth Behavioral Health Initiative. The Initiative provides children and youth early and routine, evidence based, culturally competent, and equity focused behavioral health screenings and services, totaling \$2.3 billion one-time and \$300 million GF annually ongoing in 2022-23. Services from the Initiative will be available statewide for all children and youth ages 0-25, regardless of insurance type or immigration status. The investments include:

- o Statewide Behavioral Health Services and Supports: The development and implementation of a statewide Behavioral Health Service Virtual Platform that provides access to virtual behavioral health services and interactive tools and supports. The platform will use a tiered model to deliver and

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- monitor behavior health treatment and will also facilitate a statewide e-Consult/e-Referral service for primary care pediatric and family practice providers to receive asynchronous support and consultation to manage behavioral health conditions for their patients in their practices.
- o Capacity and Infrastructure Grants for Behavioral Health Services in Schools: Access to ongoing behavioral health prevention and treatment services on or near school campuses will be increased through the building of infrastructure, partnerships, and capacity statewide. This includes expanding access to behavioral health schools counselors, peer supports; building a statewide community-based organization network; and connecting commercial insurance plans and Medi-Cal managed care plans, counties, community-based organizations, and schools via data sharing systems.
 - o Grants to Support Development and Expand Age-Appropriate and Evidence-Based Behavioral Health Programs for Children and Youth: The May Revision proposes the development and expansion of evidence-based interventions services for children and youth. Grants would be issued to Medi-Cal behavioral health systems, tribal entities, health care service plans, Medi-Cal managed care plans, community-based organizations, and behavioral health providers. Grants for Medi-Cal behavioral health systems would be administered through DHCS' Behavioral Health Quality Improvement Project. Grants and incentives for tribal entities, health care service plans, Medi-Cal managed care plans, community-based organizations, and behavioral health providers would be administered through a third-party grant administrator. The May Revision includes \$10 million Coronavirus Fiscal Recovery Fund (CFRF) for 2021-22 and \$429 million CFRF for 2022-23.

Behavioral Health Continuum Infrastructure Funding

The May Revision includes \$2.455 billion (\$1.8 billion GF and \$518.5 million Coronavirus Fiscal Recovery Fund of 2021) over a three-year period to invest in critical gaps across the community-based behavioral health continuum. The resources will go towards a comprehensive continuum of services to address short-term crisis stabilization, acute needs, peer respite, and other clinically enriched longer-term treatment and rehabilitation opportunities for persons with behavioral

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health disorders. This includes the addition of approximately 15,000 beds, units, or rooms to expand such capacity. Of this amount, a minimum of \$255 million total funds is available for increased infrastructure targeted to individuals age 25 and younger (part of the Children and Youth Behavioral Health Initiative) and a minimum \$250 million GF is available for individuals with a serious mental illness who are deemed Incompetent to Stand Trial. DHCS will propose trailer bill language to implement the proposal.

Additional key issues that relate directly to county human services agencies include the following:

- o County Administration Funding for Public Health Emergency (PHE) Lift Workload: The May Revision includes \$73 million (\$37 million GF) each year in 2021-22 and FY 2022-23 to support increased county workload to redetermine eligibility for individuals after the PHE ends.
- o Expanding Medi-Cal Coverage to Undocumented Older Adults 60 Years and Over: The May Revision includes \$69 million (\$50 million GF) in 2021-22 and \$1 billion (\$859 million GF) ongoing to expand Medi-Cal, including In-Home Supportive Services, to undocumented adults aged 60 and older effective no sooner than May 1, 2022.
- o Medi-Cal Providing Access and Transforming Health (PATH): The May Revision includes \$200 million (\$100 million GF) to facilitate the justice-involved initiatives. The funding supports the jail pre-release application mandate, behavioral health warm-handoff, 30-day pre-release services and the re-entry enhanced care management benefit for persons incarcerated in State prisons, county jails, and youth correction facilities effective January 1, 2023.
- o Medi-Cal Eligibility Extension for Postpartum Individuals: The May Revision adopts a new federal option under the American Rescue Plan Act of 2021 to provide postpartum benefits for an additional 12 months following the last day of pregnancy, effective April 1, 2022, for up to five years. The May Revision includes \$90.5 million (\$45.3 million GF) 2021-22 and \$362.2 million (\$181.1 million GF) annually from 2022-23 through 2027-28 to implement the extension. DHCS will propose trailer bill language to implement the proposal.

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- o Accelerated Enrollment for Adults: The May Revision proposes to expand accelerated enrollment to adults, ages 19 through 64, using the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) at the time of application. This proposal provides immediate and temporary benefits for adults applying through CalHEERS while income verifications are pending. The May Revision includes \$14.3 million (\$7.2 million General Fund) in FY 2021-22 to implement this policy change and assumes an effective date of July 1, 2021.
- o Medically Tailored Meals: The May Revision includes one-time funding of \$9.3 million GF to continue the provision of medically tailored meals in the timespan between the conclusion of the existing pilot program in 2021 and when medically tailored meals become available as an option for In-Lieu of Service under CalAIM. DHCS will propose trailer bill language to implement the proposal.

IN-HOME SUPPORTIVE SERVICES**Share of Cost for Wages and Benefits**

Included in the May Revision is \$57.3 million GF (\$203.8 million total funds) to maintain the state and county shares of the nonfederal share of cost at the existing 65 percent state/35 percent county ratio beyond the \$15.00 per hour cap. The May Revision also proposes to continue the 10 percent county option.

Provider Back Up System

An investment of \$5.8 million GF (\$12.9 million total funds) for FY 2021-22 and \$7.5 million GF (\$17.0 million total funds) in FY 2022-23 is included to establish a permanent provider back up system which includes a \$2.00 per hour wage differential for individual providers. The current emergency backup system provided as part of the State's pandemic relief package will continue through December 31, 2021.

Electronic Visit Verification (EVV) Penalty

The proposed budget includes \$15.2 million GF in FY 2020-21 and \$42.2 million in FY 2021-22 to cover the fiscal penalty associated with non-compliance with federal EVV requirements.

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Undocumented 60+ Full Scope Medi-Cal Expansion

Due to lag time in becoming eligible to IHSS, the May Revision does not assume new costs for the expansion of Medi-Cal to undocumented adults age 60 and over in the 2021-22 fiscal year.

Long-Term Care Career Pathways

A total of \$200 million GF is provided on a one-time basis to incentivize, support and fund career pathways for individuals enrolled as IHSS providers, to enable providers to gain or build skills to obtain employment as a care provider or compete for a higher-level job in the home care and/or health care industry.

Seven Percent Reduction in IHSS Service Hours

The May Revision proposes to permanently eliminate the reduction, which has been suspended for the past several years.

Pandemic-Related Funding

Emergency Paid Sick Leave

An additional \$3.5 million GF (\$11.7 million total funds) is included for FY 2021-22 for two weeks of supplemental paid sick leave for IHSS providers and reflects an extension of this benefit through September 30, 2021.

Recipient Vaccination/Medical Accompaniment

The proposed budget provides \$1.5 million GF (\$4.3 million total funds) in FY 2020-21 for IHSS providers to accompany recipients to receive their vaccine. A total of \$7.0 funds (\$2.4 million GF) is included for provider services, and \$4.4 million total funds (\$2.2 million GF) is included for administration in FY 2021-22.

CALWORKS

Grant Increase

As part of the May Revision, a 5.3 percent increase to the CalWORKs Maximum Aid Payment levels is proposed, effective October 1, 2021, which is estimated to cost \$142.9 million in 2021-22. These costs are funded by the Child Poverty and Family

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Supplemental Support Subaccounts.

CalWORKs Overpayments

The May Revision includes changes to CalWORKs overpayment collections:

- o Authorizes a county to reduce the collection of all non-fraudulent related CalWORKs overpayments that are considered administrative errors from 10 percent to 5 percent of a family's aid payment. This applies from April 2020 through the end of the pandemic or June 30, 2022, whichever is sooner.
- o Reduces the CalWORKs overpayment collection timeframe from 5 years to 2 years.

Housing Support Program

As previously stated, in both 2021-22 and 2022-23, \$475 million GF is included to expand the CalWORKs Housing Support Program.

Continued CalWORKs Assistance for Family Reunification

The May Revision includes \$8.7 million GF in 2021-22 and ongoing for counties to continue providing CalWORKs cash aid for up to 180 days when a child has been removed from the home and is receiving out-of-home care. This is similar to a CWDA-sponsored budget proposal from this year (and was a CWDA-sponsored bill last year [SB 1341]).

CHILD CARE AND EARLY EDUCATION

The May Revision includes \$3 billion (\$1.5 billion GF) to fund the transition of child care and development programs from the California Department of Education to the Department of Social Services. The proposed budget also includes the addition of 100,000 subsidized child care slots, as recently announced by Governor Newsom.

In order to align with the Master Plan for Early Learning and Care, the proposed budget also includes \$4.8 million GF to support planning and initial implementation for the design of a child care data system.

STATE BUDGET UPDATE | MAY REVISION 2021-22 BUDGET**CALFRESH****Temporary CalFresh Student Eligibility Expansion**

The May Revision includes \$11.4 million (\$4.5 million GF) in 2021-22 for CalFresh and California Food Assistance Program (CFAP) eligibility activities and CFAP benefits related to the temporary CalFresh student eligibility expansion.

Pandemic Electronic Benefit Transfer (P-EBT)

Also included in the May Revision is \$26.4 million (\$11.5 million GF) in 2020-21 and \$132.0 million new federal funds in 2021-22 for administration of the P-EBT program. The Continuing Appropriations Act (2021) and Other Extensions Act (Public Law [PL] 116-159) extended P-EBT and expanded eligibility to children in child care through the end of September 2021. Administrative costs for the extension are 100 percent federally funded.

California Food Assistance Program (CFAP) Impact from Temporary 15 Percent Supplemental Nutrition Assistance Program Increase

The proposed budget includes \$4.6 million GF in 2020-21 and \$2.4 million GF in 2021-22 for the CFAP impact of the temporary 15 percent benefit increase, in parity with CalFresh households. The increase is effective through September 2021.

California Food Assistance Program (CFAP) Emergency Allotments

The May Revision includes \$24.1 million GF in 2020-21 and \$20.8 million GF in 2021-22 to bring all CFAP households to the maximum allotment for their household size, in parity with CalFresh households. On April 1, 2021, the Biden administration updated guidance for emergency allotments to provide a minimum emergency allotment of \$95 for all households, including those currently receiving the maximum benefit for their household size. This change began with the April 2021 emergency allotments issued in May 2021. The issuances for CFAP are funded by GF, partially offset by federal Coronavirus Relief Funds. The issuances will continue each month until the public health emergency declaration ends (the budget assumes anticipated costs through December 2021).

STATE BUDGET UPDATE | MAY REVISION 2021-22 BUDGET**COVID-19 Food Bank and Diaper Support**

An investment of \$155 million TF (\$125.0 million federal Coronavirus Relief Funds and \$30.0 million GF) in 2020-21 and \$30 million GF in 2021-22 for COVID-19 Food Bank Support. Additionally, \$20 million TF (\$15.0 million federal Coronavirus Relief Funds and \$5.0 million GF) is provided in 2020-21 for COVID-19 Food Bank Diaper Support.

CHILD WELFARE / FOSTER CARE / ADOPTION ASSISTANCE**Placement Prior to Approval**

The May Revision includes \$24.5 million GF (\$32.4 million total funds) to support payments to emergency caregivers for up to 120 days pending Resource Family Approval (RFA), and up to twelve months for cases that meet good cause criteria.

Families First Prevention Services

Included in the May Revision is \$122.4 million GF (\$148.9 million in total funds) for counties to be spent over three years to support one-time implementation of Part 1 prevention services. Counties will be required to develop comprehensive Child and Family Well Being System Prevention Plans to include primary and secondary prevention strategies. Note CWDA and Children Now have a co-sponsored proposal for \$50 million in Year 1 and \$100 million on-going to implement Part 1. Additionally, federal ARPA funding may be used to supplement including:

- o \$12 million Child Abuse Prevention and Treatment Act
- o \$29 million Community-Based Child Abuse Prevention
- o \$7.8 million Promoting Safe and Stable Families

There is no information yet available for Part IV implementation, to comply with the congregate care provisions of the FFPSA law.

Child and Adolescent Needs and Strengths (CANS) Assessment Tool Workload

The May Revision includes \$3.4 million GF (\$4.7 million total funds) on an on-going basis to address increased county social worker workload associated with implementation of the CANS.

STATE BUDGET UPDATE | MAY REVISION 2021-22 BUDGET**Resource Family Approval (RFA) and Continuum of Care Reform (CCR) Reconciliation**

Also included is \$7.1 million GF to reflect county true-up costs for Child and Family Teams (CFTs) and associated CCR-related expenditures for FY 2018-19. However, the May Revision does not appear to fund counties' costs for implementation of the RFA, which was mandated by AB 403 as part of CCR. CWDA estimates that counties are owed \$85 million SGF for this county workload.

Youth in Out-of-State Facilities

The proposed budget includes \$39.2 million GF (\$42.1 million total funds) to assist counties with serving foster youth with complex needs and behavioral health conditions within California, and to support youth who returned from an out-of-state facility.

Bringing Families Home (BFH)

As previously described, an investment of \$280 million GF in 2021-22 and 2022-23 to expand the existing BFH Program. This would require a 25 percent county match. There are currently 22 counties and 1 tribal agency participating in this program that is supported by a one-time appropriation of \$25 million through June 30, 2022.

CalWORKs Grants for Families in Reunification

As mentioned previously, the May Revision includes \$8.7 million GF in 2021-22 and ongoing to continue providing CalWORKs assistance for families for up to 180 days when a child has been removed from the home. This is also a CWDA-sponsored budget proposal.

Division of Juvenile Justice Realignment

Included in the proposed budget is \$7.6 million GF to support 33 positions in the newly established Office of Youth and Community Restoration, pursuant to SB 823 (Statutes of 2020).

Tribal Social Work Education Stipend

An investment of \$3 million GF (\$4.2 million total funds) in 2021-22 to establish a

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Master of Social Work stipend program for tribal members or Native Americans who commit to working in public child welfare for tribal or county social services.

Elimination of Suspensions related to Child Welfare Programs

The May Revision proposes to eliminate statutory suspensions for the following programs:

- o Family Urgent Response System (FURS), which continues \$30 million GF to counties
- o Foster Family Agency Rate Increase of 4.15%, applied to administrative costs
- o Foster Care Child Care Bridge Program \$10 million augmentation to the base amount of \$31 million GF.
- o LA County Public Health Nurse Pilot Program, funded at \$8.25 million annually.

Pandemic-Related Funding

COVID-19 Support for Former Non-Minor Dependents (NMD) 21+: Includes \$49.1 million GF (\$55 million total funds) in FY 2021-22 to continue support through December 31, 2021 for former NMDs as well as NMDs who will turn 21 between July 1, 2021 and December 31, 2021.

Immigration ServicesRapid Response Funding

A total of \$105.2 million GF is provided for a Rapid Response Fund to provide support for migrant family arrivals at the Southern California border, and additional funding for other emergency responses, including wildfires and drought.

Unaccompanied Undocumented Minors (UUM)

The May Revision provides \$20 million GF and \$5 million Proposition 98 funding available FY 2021-22 through FY 2022-23 to support the following activities:

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- o “Opportunities for Youth” pilot project (\$4.7 million GF, on a one-time basis)
- o Legal services (\$18.2 million GF, an increase of \$15.3 million, on a one-time basis)
- o State operations (\$1.3 million GF)
- o California Newcomer Education and Well-Being Project (\$20 million Prop 98 SGF, an increase of \$5 million, on a one-time basis)

DACA and Naturalization Filing Fees

An investment of \$25 million one-time GF in 2021-22 to fund filing fees for DACA (Deferred Action for Childhood Arrivals) and naturalization.

Education and Children’s Behavioral Health

The following are proposed in the Governor’s education section of the May Revision that have either a direct or indirect benefit to children and youth served in county human service programs:

- o Phase-in of universal access to transitional kindergarten, beginning in 2022-23 and completed by 2024-25 (\$900 million GF growing to \$2.7 billion SGF)
- o School-based “full service” partnerships on school sites, through collaboration between schools, health plans, county health and social services (\$3 billion GF).
- o Increased access to broadband internet and computer technology in the classroom and at home.
- o Establishes the California Child Savings Program for all current low-income public school students, including foster youth, to support post-secondary education access, with an initial deposit of \$500 for all eligible children, and a supplemental \$500 for foster youth and homeless students. (\$2 billion in one-time federal ARPA funds and \$170 million ongoing GF beginning 2022-23).
- o Establishes a Child and Youth Behavioral Health Initiative and invests \$1.4

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billion to re-envision the child behavioral health system. This is an expansion of the Governor's January Budget and includes \$400 million GF for school-based mental health services, including suicide prevention and trauma screening.

Behavioral Health and Development DisabilitiesACES Demonstration Projects

Provides \$12.4 million one-time SGF for seven demonstration projects focused on advancing research on, and building scalable approaches to, treating and preventing Adverse Childhood Experiences (ACEs).

Early Start

Provides \$23.8 million ongoing SGF to support Early Start provisional Lanterman services through the California Department of Developmental Disability Services (DDS) system, to extend eligibility up to age five.

Regional Center Mobile Crisis Teams

Provides \$87 million GF in 2021-22, increasing to \$11 million SGF in 2022-23 and ongoing, for Systemic, Therapeutic, Assessment, Resources and Treatment (START) teams that provide 24-hour crisis prevention and response services to individuals with intellectual or developmental disabilities.

ADULT PROTECTIVE SERVICES (APS)**Home Safe Program**

As previously referenced, an investment of \$100 million GF is proposed on a one-time basis in FY 2021-22 and FY 2022-23 to continue the Home Safe program. This would require a 25 percent county match. Currently this program operates as a pilot in 25 counties and received \$25 million on a 3-year basis; it was scheduled to end on June 30, 2021. CWDA is co-sponsoring a State Budget proposal with a coalition to provide \$30 million GF on an on-going basis for Home Safe and \$70 million GF to expand APS case management. The case management component of CWDA's proposal does not appear to be included in the May Revision.

STATE BUDGET UPDATE | MAY REVISION 2021-22 BUDGET**Federal APS Pandemic Funding**

The proposed budget reflects \$9.5 million in federal pandemic relief funding provided to county agencies available for expenditure from April 1, 2020 through September 30, 2022.

Community Care Licensing – Adult Residential Facilities

A total of \$47.5 million GF and \$450 million in federal ARPA funds, as well as \$500 million GF in 2022-23, to fund the acquisition, construction and/or rehabilitation of adult and senior care facilities in support of individuals and families that are homeless or at risk of homelessness.

Housing and Disability Advocacy Program (HDAP)

Also described previously, the May Revision provides \$175 million GF in FY 2021-22 as part of a one-time, multi-year funding proposal. We do not have additional details at this time. In the current year, 44 counties administer HDAP and it is supported by \$25 million in GF with a dollar-for-dollar county match requirement.

SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTAL PAYMENT (SSI/SSP)

The May Revision proposal reflects a half-year 1.3 percent Federal 2021 cost-of-living adjustment for the federal grant and includes \$66.3 million GF beginning on January 1, 2022 and \$131.5 million ongoing to increase SSP grants. This restoration, plus the SSI COLA, will bring monthly payments levels from \$955 for individuals and \$1,598 for couples in 2021 up to \$990 for individuals and \$1,636 for couples in 2022.

AUTOMATION

Currently available budget documents do not contain much detail regarding automation funding. Future budget updates will provide additional information as it becomes available.

CWS/CMS

The May Revision proposes \$5.7 million (\$1.2 million GF) to update the outdated programming language used in CWS/CMS, which is no longer supported by Microsoft and the vendor to one that can be supported. This will mitigate the risk of

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disruption to CWS/CMS that would occur by continuing to use the unsupported technology.

CWS-CARES

The May Revision reflects the expected funding of \$39.4 million (GF) in the budget year to continue development of a new technology platform to replace the existing Child Welfare Services Case Management System (CWS/CMS) with the California Automated Response and Engagement System (CARES). Additionally, the May Revision includes \$1.5 million (\$583,000 GF) for county data clean-up in CWS/CMS to prepare for conversion to CARES. The Revision also includes \$4.7 million (\$3.4 million GF) in the budget year for increased county social worker workload in using the Child and Adolescent Strengths and Needs (CANS) tool. Plans are moving forward to continue the CARES project with a high level of county participation with the appropriate level of funding to support that county involvement.

Policy Changes with SAWS Automation Impacts

Counties are in the midst of the federally mandated migration to a single CalSAWS automation system that must be completed by the end of 2023 to avoid the loss of significant federal funding. As the final budget package begins to take shape, we anticipate that further discussion will be needed between legislative budget staff, CWDA, the SAWS, the administration, and stakeholders to confirm whether policy implementation dates can be accomplished without disrupting the CalSAWS migration schedule and/or already established policy commitments for policy changes that are not feasible to implement prior to automation. Examples of these policy changes are discussed below.

Medi-Cal Coverage Expansion to Undocumented Older Adults

The May Revision proposes to expand Medi-Cal coverage to undocumented adults aged 60 and older no earlier than May 1, 2022. The SAWS' ability to meet this timeframe will be dependent on receiving complete policy from DHCS by July 30, 2021, the ability to coordinate the commensurate changes needed in the CalHEERS system, and an assessment of the overall automation impacts of the full budget package.

STATE BUDGET UPDATE | MAY REVISION 2021-22 BUDGET**Eligibility Extension for Postpartum Individuals**

The May Revision proposes to utilize the American Rescue Plan's federal funding to extend Medi-Cal postpartum eligibility to 12 months, effective April 1, 2022. The SAWS' ability to meet this timeframe will be dependent on receiving complete policy from DHCS by July 1, 2021, the ability to coordinate the commensurate changes needed in the CalHEERS system, and an assessment of the overall automation impacts of the full budget package.

CalWORKs Grant Increase

The May Revision proposes a 5.3-percent increase to CalWORKs Maximum Aid Payment levels as of October 1, 2021. The SAWS' ability to meet this timeframe will be dependent on receiving complete policy from CDSS by July 12, 2021, and an assessment of the overall automation impacts of the full budget package.

CalWORKs Overpayment Changes

The May Revision includes two changes to CalWORKs overpayment collections. The first would classify non-fraudulent overpayments related to benefit months from April 2020 through June 2022, or the end of the pandemic, as administrative errors. This would reduce the recoupment from 10 percent to 5 percent of a family's aid payment. The second would limit the establishment and collection of CalWORKs overpayments to 2 years prior to the discovery date. Additional detail is needed to determine what automation changes may be needed, and when they could be accomplished, to support these policy changes.

CalSAWS BenefitsCal Portal Translations

The May Revision proposes \$1 million GF in the budget year to support the translation work needed to support the language access planned for the BenefitsCal portal.

Cash Assistance Program for Immigrants (CAPI) Increase

The May Revision proposes a payment increase to bring SSP and CAPI payments above the January 2011 SSP level (when they were reduced to the federal minimum), as of January 1, 2022. Additional policy detail will be needed to assess when the CAPI increase can be automated in SAWS.

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Language Access

The May Revision proposes one time funding of \$20 million (GF) for the Health and Human Services Agency (HHSA) to improve the delivery of language access services in health and human services programs. While additional detail is needed to fully assess the impacts, this change is likely to require automation changes for multiple systems, including SAWS.

Child Care Data System

The May Revision proposes \$4.8 million (GF) for planning and initial implementation for the design of a child care data system. This proposed data system is intended to align with the Master Plan for Early Learning and Care and strengthen the administrative processes used for data collection. CDSS has indicated this will build on prior efforts and they will engage stakeholders in the design. Additional detail is needed to better assess whether and how this may impact counties and their existing child care data systems.

Health Information Exchange

The May Revision proposes one time funding of \$2.5 million (GF) for HHSA to lead stakeholder engagement efforts in developing an information exchange for health and social services programs. Additional detail is needed to better assess how this effort may impact county health and human services programs and existing systems.

Additional Resources

A summary of the May Revision proposed 2021-22 budget can be found at the following link:

<http://www.ebudget.ca.gov/2021-22/pdf/Revised/BudgetSummary/FullBudgetSummary.pdf>

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| <p>This budget update was created by CWDA Staff. Direct questions to the contact at right.</p> | <p>County Welfare Directors Association of California</p> |
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