



# CWDA

Advancing Human Services  
for the Welfare of All Californians

## State Budget Update #3 Legislature Reaches 2021-22 Budget Deal

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Last night the Senate and Assembly Budget Committees each voted to approve a 2021-22 budget agreement reached earlier this week between the two houses. Because the Senate and Assembly are already in agreement and have adopted identical budget plans, there will be no Budget Conference Committee this year. The focus now turns to negotiations with the Governor to reach a three-party budget deal that can be voted on by the full Senate and Assembly by the required June 15<sup>th</sup> deadline for the Legislature to adopt a budget.

Because of the volume of issues being considered – the Legislative Analyst’s Office (LAO) noted that there were over 400 new proposals and programs introduced in the May Revision – and the complexity of many of those issues, combined with the fact that the Administration has not yet released its proposed trailer bill language for some of its May Revision proposals, it is not certain that the Legislature and the Governor will have reached full agreement on every issue before June 15<sup>th</sup>, and potentially even before the start of the new fiscal year. We are expecting that some issues could have funding included in the final budget plan that is adopted, pending the outcome of negotiations on the policy that continue into June or over the summer. The funding for other issues may not be included at all in the budget package that is enacted by July 1, pending continued policy development and negotiations over the summer.

The Legislature’s budget is based on the LAO’s General Fund revenue estimates, which are about \$4 billion higher than the Administration’s May Revision estimates. The LAO updates their revenue estimates in May, after the Administration has released the May Revision, so they have the benefit of additional information. However, the ultimate revenue assumptions are also contingent on the negotiations between Legislature leadership and the Governor.

All of CWDA’s budget priorities are currently included in the Legislature’s budget package. Included below is a brief summary of those issues. Due to the volume of issues, we have also updated the CWDA budget tracking chart, which provides details on the Legislative actions for the health and human services issues we have been tracking since January. A copy of that is attached. We will continue to update and add to this chart as the budget negotiations between the Legislature and the Governor continue. Although it is great news that CWDA’s budget priorities remain in play at this stage of the budget process, it is important to note

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that this is not the final budget deal.

Following is the current status of the CWDA budget priorities.

**Child Welfare Services**

- \$100 million GF each for (a) Family First Prevention Services Act (FFPSA) Part 1 Prevention implementation (in accordance with CWDA's requested approach) and (b) to develop services and placements for high needs youth. Note that the funding for both of these items is placeholder, pending further development and negotiation of the policy in both of these areas.
- \$85 million GF to fund Resource Family Approval (RFA) costs as part of the CCR True-up and placeholder trailer bill language to clarify the inclusion of RFA costs in the CCR True-up on an ongoing basis.
- An additional \$7 million for child welfare training.

**Adults**

- \$70 million GF for CWDA's proposal to enhance and expand Adult Protective Services (APS).
- \$50 million to create a grant program for county human services agencies to increase access to technology, Internet services and related training and education for older adults and adults with disabilities.

**CalWORKs**

- \$1.0 million in 2021-22 (growing to \$179.2 million ongoing by 2023-24) to increase the applicant earned income disregard (EID) from \$90 to \$600, making it equal to the recipient EID, effective June 1, 2022.
- A package of changes intended to institutionalize CalWORKs 2.0 and the program approach of the CalWORKs Outcomes and Accountability Review (CalOAR), including \$75 million in 2021-22 (growing to \$150 million in 2022-23 and \$257 million in 2023-24 and ongoing) to increase the budgeted hours for counties' case management of the most intensive cases from 5 hours per case per month to 10 hours per case per month; \$3 million in 2021-22 (\$10 million in 2022-23 and ongoing) to develop trainings for county CalWORKs staff focused on racial equity, implicit bias, and advancing CalWORKs 2.0 and CalOAR; and trailer bill language to eliminate the penalty on counties for failure to meet the federal work participate rate requirement.

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- \$68.3 million in 2021-22 (and \$40.8 million in 2022-23 and ongoing) to restore the reduction made in the May Revision to the Eligibility component of the Single Allocation.
- \$8.7 million to allow for the continuation of CalWORKs grants for up to 180 days to families where the child has been removed from the home and are in Family Reunification.

**Housing/Homeless – CDSS Programs**

The Legislature modified the level of funding to be provided to the CalWORKs Housing Support Program (HSP), the Housing and Disability Advocacy Program (HDAP), the Bringing Families Home (BFH) Program, and the Home Safe Program from that proposed in the May Revision, but eliminated the county match requirement for the additional funding and adopted specific flexibilities requested by CWDA on the eligibility for, and uses of, the funds to maximize counties' use of the funding and allow funds to be used for homelessness prevention.

- HSP: An additional \$95 million GF in 2021-22 and \$285 million GF in 2022-23 to be spent through June 30, 2025.
- HDAP: An additional \$75 million GF in 2021-22 and \$225 million GF in 2022-23 to be spent through June 30, 2025.
- BFH: \$50 million GF in 2021-22 and \$150 million GF in 2022-23 to be spent through June 30, 2025.
- Home Safe: \$50 million in 2021-22 and \$150 million GF in 2022-23 to be spent through June 30, 2025.

Additional details on the Legislature's full budget package can be found at the following links:

- [Senate](#)
- [Assembly](#)

This budget update was created by CWDA Staff. Direct questions to the contact at right.

For more information, visit:  
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