



COUNTY WELFARE DIRECTORS ASSOCIATION OF CALIFORNIA
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CWDA

Final 2008-09 Budget: County Human Services Programs

September 23, 2008

Issue Area	Governor's May Revision (or LAO as indicated)	Budget Approved by the Legislature September 16, 2008	Governor
Cash Flow			
Delayed Payments	Delays the July and August advanced payments for human services programs and the August quarterly payment for Medi-Cal to Sept. 30, 2008 for cash flow savings of \$978.5 million.	Approved in the Special Session by the Legislature and Governor.	
Human Services Funding Deficit (formerly CODB)			
Annual Cost Increases for County Human Services Programs	Proposed to continue suspending the funding of county human services programs based on actual costs. Programs would continue to be funded based on 2000-01 costs (2001-02 for CWS). The Administration's estimated impact of the gap is \$1.063 billion (\$633 million GF).	No action; therefore maintain current practice of funding based on 2001 costs.	
Annual Cost Survey	Proposed to repeal the TBL requiring the Administration to annually survey counties and display the difference between actual costs and the proposed funding level. Proposal was dropped by the Administration.	Proposal was dropped by the Administration.	
Medi-Cal			
Performance Standards	No proposal; therefore, maintain performance standards. Note that the Administration assumes the Medi-Cal benefit savings of \$450 million (\$222.8 million GF) will continue in full notwithstanding that the savings are also linked to fully funding county eligibility which is proposed to be cut.	Adopted TBL to suspend the performance standards penalties due to insufficient funding.	Sustained
Base Funding and Caseload Growth	Proposed a \$97.4 million (\$48.7 million GF) cut by not providing funding for caseload growth (\$41.3 million total funds, \$20.6 million GF) and reducing base funding by 3.67 percent (\$46.6 million total funds, \$23.3 million GF).	Approved \$42.2 million (\$21.1 million GF) cut for a total 7 percent reduction including withholding the cost-of-doing-business.	Sustained

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Cost-of-Doing-Business	Proposed to eliminate funding counties based on actual costs for a \$64.6 million (\$32.3 million GF) cut to the program.	Approved withholding of CODB funding for savings of \$64.6 million (\$32.3 million GF).	Sustained
DRA Citizenship Requirements	Proposed \$27.5 million (\$13.7 million GF) for ongoing costs to verify citizenship documentation. The budget assumes that citizenship requirements will be fully implemented by August 2007 and that verification for existing cases will be completed in the current year. Based on results from the DHCS Medi-Cal.	Approved as budgeted.	Sustained
MEDS Security Agreements	Proposed \$32.5 million (\$16.2 million GF) to fund activities related to Medi-Cal Eligibility Data System (MEDS) security agreements.	Approved as budgeted.	Sustained
Quarterly Status Reports (QSR) and Continuous Eligibility for Children	Proposed to institute QSRs for both parents and children for savings of \$79 million (\$39.5 million GF) based on eliminating 86,026 children in 2008-09. DHCS estimates that 129,000 adults and 471,500 children will be removed from coverage over time due to this proposal. Children currently have 12-month continuous eligibility.	Reduced continuous eligibility for children from twelve months to six months, with a three-year sunset, a report from DHCS on the impact of reducing continuous eligibility and implementing semi-annual reporting, and codification of ACL 03-41 related to exemptions to semi-annual reporting.	Sustained
1931(b) Program	Proposed to reduce eligibility for new applicants from 100 percent of the Federal Poverty Level (FPL) to 61 percent of FPL. Also proposed to reinstitute the 100-hour rule which limits eligibility to those working 100-hours or less per month. The proposal would be phased in over 33 months and would result in \$736 million (\$268 million GF) in savings and 433,500 adults losing coverage.	Rejected.	Sustained
Undocumented Immigrants	Proposed to require undocumented immigrants receiving limited-scope Medi-Cal to reapply on a monthly basis except for pre-natal, long-term care, or breast and cervical cancer services. 11,400 immigrants would lose coverage in the budget year for savings of \$84 million (\$42 million GF).	Rejected.	Sustained
Newly Qualified Immigrants and PRUCOLs	Proposed to reduce benefits from full-scope to limited-scope Medi-Cal for newly qualified immigrants in the country for less than five years and undocumented immigrants living under the color of law for savings of \$86.6 million.	Rejected.	Sustained
Self-Certification Pilot (SB 437)	Proposed to suspend the self-certification of assets pilot in Santa Clara and Orange counties	Approved as budgeted.	Sustained

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	until 2010-11 for savings of \$1.74 million (\$870k GF).		
CWS/Foster Care			
Child Welfare Services Outcome Improvement Project	Proposed \$14.6 million (\$11.8 million GF) to maintain funding at the current year level, including county probation outcome improvement activities, for non-IV-E waiver counties.	Approved as budgeted.	Sustained
11-County Pilot	Proposed \$11.1 million (\$6.8 million GF) for non-IV-E waiver counties to maintain funding at the current year level.	Approved as budgeted.	Sustained
CWS Cut	Proposed a \$129.6 million (\$83.7 million GF) cut to Child Welfare Services and proposed consolidating numerous children's services programs into a consolidated CWS allocation.	Rejected.	Sustained
CWS Consolidated Allocation	Proposed to consolidate the following programs into the CWS Allocation: 11-county pilot, OIP, EYS, ILP, KSSP, State Family Preservation, Group Home Monthly Visits, Foster Parent Training and Recruitment, Kinship/Foster Care Emergency Fund, Substance Abuse/HIV Infant Program, STOP.	Rejected as part of above action to reject cut.	Sustained
Foster Care Rates	Proposed a 10 percent rate reduction for FFH, KinGAP, clothing allowance, specialized care increment, seriously emotionally disturbed program, Group Homes, and new AAP cases and a 5 percent rate reduction to existing AAP cases and FFAs for savings of \$141.6 million (\$58.9 million GF).	Rejected.	Sustained
Transitional Housing Placement Program Plus	Proposed a \$5.2 million augmentation to annualize existing youth served for total funding of \$40.9 million GF.	Approved as budgeted.	Sustained
<u>Gomez v. Saenz</u>	Proposed \$9.8 million (\$4.3 million GF) to implement the settlement agreement requiring due process hearings associated with names referred to the Child Abuse Central Index (CACI) list.	Approved as budgeted.	Sustained
Resource Family Approval Pilot (AB 340)	Proposed \$1.5 million (\$.6 million GF) to implement the pilot in 5 counties effective October 1, 2008.	Approved Assembly version minus \$.187 million to delete funding for state staff and delay implementation to September 1, 2008.	Sustained
Federal Penalty	Proposed \$9.4 million (\$8.9 million penalty, \$.5 million accrued interest) to pay the federal penalty due to the state failing to meet the permanency outcome measure in the recent Children and	Approved as budgeted.	Sustained

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	Family Services Review. The state is appealing the penalty but it paying it now to avoid further interest costs.		
Privatize Independent Adoptions	Proposed to privatize the Independent Adoptions program effective October 1, 2008 which will reduce support to three counties (Alameda, Los Angeles, and San Diego) by \$.6 million GF.	Rejected and instead adopted fee increases effective October 1, 2008 and uncodified TBL required CDSS to meet with stakeholders to determine ways to simplify and/or streamline the independent adoptions process and report back during 2009-10 budget subcommittee hearings.	Sustained
Food Stamps			
County Administration	Proposed 4 percent cut for savings of \$34.9 million (\$14.4 million GF).	Adopted \$20.9 million (\$8.6 million GF) cut for a three percent reduction.	Sustained
Face-to-Face Waiver	Proposed to waive the face-to-face interview for cases where the single head of household is working at least 30 hours per week, and for cases where both couples are working at least 20 hours per week. Proposal requires a federal waiver.	Approved as budgeted.	Sustained
CalWORKs			
Single Allocation Funding	Proposed to maintain funding at the current-year level with adjustments for projected caseload changes, the assumed impacts of the work participation rate policy changes, and the county incentives sweep.	Approved as budgeted with adjustments based on rejecting some of the work participation rate policy changes noted below.	Vetoed \$60 million for a total five percent reduction to Eligibility and Employment Services including the Pay for Performance veto.
County Incentives Sweep	Proposed to reduce counties' Single Allocation by \$20.6 million to reflect a proposed sweep of unspent fraud and performance incentives. In contrast to prior year incentive sweep proposals, there is no language to limit the cut to the lesser of \$20.6 million or what's available.	Approved proposed reduction and adopted BBL that limits the reduction to the lesser of the cut or the available balance of unspent fraud and performance incentives.	Sustained
CalWORKs Pay for Performance	Proposed to suspend all \$40 million in incentives in the current year and budget year.	Approved suspension of Pay for Performance and provided \$10 million to the single allocation to address counties that have unique Employment Services funding issues that impair their ability to effectively provide basic welfare-to-work services.	Vetoed.
Funding for Indian Health Clinics	N/A	Adopted trailer bill language to allow the CDSS Director to provide funding to Indian Health Clinics for mental health and substance abuse services for CalWORKs and Tribal TANF applicants and recipients.	Sustained

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CalWORKs Grants	Proposed to suspend the statutory COLA for savings of \$120.5 million and reduce the Maximum Aid Payment by five percent effective October 1, 2008 for savings of \$106.8 million.	Rejected the five percent grant cut and approved the suspension of the 2008 COLA.	Sustained
Earned Income Disregard	LAO proposal to modify the existing earned income disregard to allow participants meeting the federal work participation requirements to keep the first \$300 in earned income and 50 percent and for participants not meeting the federal work participation requirements to keep 50 percent of all earned income for annual savings of \$15 million. The existing disregard allows participants to keep the first \$225 and 50 percent thereafter.	No action; therefore maintain current law.	Sustained
Welfare Policy Research Project (WPRP)	Proposed to eliminate \$1.4 million in the current year for two CalWORKs studies, one on home visits and the other on subsidized employment for CalWORKs clients.	Approved in the Special Session by the Legislature and Governor.	
Graduated Full-Family Sanction	Proposed to impose a 50 percent grant reduction after an accumulated total of 6 months of noncompliance, and a full-family sanction after a second accumulated six months of noncompliance. Counties would be required to contact all adults prior to imposing the graduated sanction.	Rejected.	Sustained
Child-only Time-limit	Proposed to impose a 60-month time limit for child-only cases (children of undocumented parents, drug felons, or fleeing felons) for savings of \$241.5 million. This proposal would have no impact on work participation rates as these cases are not currently counted in the calculation.	Rejected.	Sustained
Safety-Net Cases	Proposed to eliminate safety-net benefits for timed-out families not meeting work participation requirements for savings of \$259 million.	Rejected.	Sustained
Work Incentive Nutritional Supplement (WINS)	Proposed a \$40 per month work incentive for families working sufficient hours to meet work participation rates, that are receiving food stamps, and are not on CalWORKs effective July 1, 2009. \$8.4 million is included to fund necessary automation costs.	Approved the adoption of WINS, providing \$2 million for 2008-09 automation costs, and adopted TBL requiring a work group to analyze the feasibility of combining WINS with PAERS and develop a proposal to implement PAERS, if appropriate, by March 31, 2009. Requires WINS ACL to be issued	Vetoed \$2 million to delay implementation of WINS for one year.

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Pre-Assistance Employment Readiness Program (PAERS)	Proposed a pre-assistance program for up to 120 days upon entering aid to help recipients become employed or sign a welfare-to-work plan. Those who become employed, sign a welfare-to-work plan, or are exempt or have good cause for nonparticipation would then enter the CalWORKs program. Failure to meet one these requirements would result in families being cut off aid and becoming ineligible for CalWORKs.	by CDSS by March 1, 2009. WINS benefits scheduled to begin no sooner than October 1, 2009, with full statewide implementation by April 1, 2010.	
Self Sufficiency Review	Proposed a face-to-face "Self Sufficiency Review" every six months for all CalWORKs families who are not meeting federal work participation requirements. Failure to comply would result in being cut off aid.	Rejected.	Sustained
State Oversight	Proposed 20 state staff to support county data collection efforts and perform data oversight and quality assurance functions. Six additional positions would be created to hold regular performance outcome meetings with counties.	Rejected funding and positions for county/state peer reviews and approved \$1.15 million and 10 positions for work verification activities only.	Sustained
Boys and Girls Club	Proposed \$5 million for the Boys and Girls Club to fund TANF-eligible programs. In exchange, the Boys and Girls Club would report an estimated \$88 million in expenditures that can be counted as excess MOE to increase the state's caseload reduction credit for FFY 2009.	Rejected.	Sustained
Temporary Assistance Program (TAP)	Proposed to repeal the TAP program.	Rejected the repeal and instead approved TBL to delay implementation to no later than April 1, 2010.	Sustained
TANF Reserve	Proposed to reduce the TANF reserve to \$0.	Approved as budgeted.	Sustained
TANF Transfers	Proposed \$447.4 million in transfers including \$223 million for CalGrants, \$151.8 million for Probation, \$50.4 million for EA-Foster Care, and \$22.2 million in Title XX transfers to DDS. Transfers are accounting swaps to allow additional funds to count towards meeting the state's required MOE and do not effect the funding for each of the programs.	Rejected TANF transfers.	Sustained
CalWORKs MH/SA	Proposed a \$9.5 million reduction to the revised current year allocation based on lower projected utilization. This amounts to a \$2.6 million reduction from the original current year allocation.	Approved as budgeted.	Sustained
Child Care			

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Regional Market Rates	Proposed to implement the new Regional Market Rates effective January 2009. However, reimbursement rates are then proposed to be reduced from the 85 th percentile to the 75 th percentile.	Approved new Regional Market Rates effective March 1, 2009 and rejected the reduction in the reimbursement rates from the 85 th to the 75 th percentile.	Sustained
Child Care Base Funding	Proposed \$665.2 million for Stage One Child Care and \$516.6 million Proposition 98 General Fund for Stage Two Child Care.	Approved Stage One Child Care funding and augmented the proposed Stage Two Child Care funding by \$16.4 million to maintain funding at the current year level.	Sustained Stage One funding and vetoed \$16.4 million from Stage Two
Child Care Reserve	Proposed a \$29.7 million reserve for Stage One Child Care, representing approximately a five percent holdback. The amount does not include the Stage Two reserve as Stage Two is now funded with Proposition 98 General Funds. There is no proposed Stage Two holdback.	Approved as budgeted.	Sustained
APS			
Funding	Proposed a 10 percent cut (\$11.4 million, \$6.1 million GF) to the program for total funding of \$113.2 million, \$54.5 million GF).	Rejected.	Vetoed \$11.4 million (\$6.1 million GF) for a 10 percent cut to the program.
IHSS			
County Administration	Proposed a 10 percent cut to the allocation effective October 1, 2008 for savings of \$21.9 million (\$7.8 million GF).	\$15 million (\$5.3 million GF) cut for a five percent reduction.	Sustained
Reassessments	Proposed to extend reassessments to every 18 months instead of annually.	Rejected.	Sustained
Wages/Benefits for IHSS workers	Proposed to reduce state participation in wages and benefits from \$12.10 per hour to \$8.60 per hour for a cost shift to counties of \$187 million. There is no proposed change to the statutory collective bargaining mandate on counties.	Rejected.	Sustained
Domestic and Related Services	Proposed to eliminate domestic and related services for IHSS consumers with a functional index below 4, eliminating an average 21.6 hours per month for 83,000 consumers for savings of \$159.5 million (\$52 million GF). Proposal assumes 20 percent of clients would appeal their functional index score and 25 percent of those would prevail.	Rejected.	Sustained
Share of Cost Buy-Out	Proposed to eliminate the buy-out of the difference between the Medi-Cal and IHSS share	Rejected.	Sustained

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	of cost for IHSS consumers with a functional index below four for savings of \$27.7 million GF.		
Investigation of Suspected Fraud	N/A	Approved trailer bill language to allow counties to investigate suspected IHSS fraud for overpayments of \$500 or less and added fraud prevention requirements to CMIPS II.	Sustained
Quality Assurance	Proposed to fund Quality Assurance activities at the current level and eliminate projected savings associated with them in recognition that savings have not materialized. Also proposed to make permanent the state Quality Assurance staff positions.	Approved as budgeted.	Sustained
Automation			
Hardware Replacement	Proposed to continue policy of eliminating local equipment replacement funding and funding help desk staff well below recommended levels.	Approved as budgeted.	Sustained
CalWIN	Proposed to add nine of eleven additional consortia staff requested but eliminates long-term travel for county staff on loan to the consortia and denies funding for a web based version of CalWIN.	Approved as budgeted.	Sustained
ISAWS Migration	Proposed to terminate the ISAWS migration project for assumed savings of \$97.9 million (\$44 million GF).	Rejected and approved alternative proposal to maintain the project with a three-month delay in implementation and adopted placeholder TBL to continue the project.	Sustained
CFAP			
Benefits	Proposed a 10 percent reduction effective October 1, 2008 for savings of \$2.1 million GF and included \$.3 million in county administration costs until consortia can automate the reduction.	Rejected.	Sustained
CAPI			
Benefits	Proposed to eliminate the program effective August 1, 2008 for savings of \$111.2 million GF, eliminating benefits for 11,093 aged, blind, and disabled immigrants.	Rejected.	Sustained
Mental Health			
Early and Periodic Screening, Diagnosis, and Treatment (EPSDT)	Proposed to require prior authorization of day treatment services that exceed six months, eliminate the COLA, and reduce state maximum allowance rates by five percent.	Rejected and adopted alternative proposal to increase the quality, effectiveness, and efficiency of service delivery to children for estimated savings of \$29.1 million (\$12.2 million GF).	Sustained
Community Treatment Facilities	Proposed to eliminate the \$2,500 supplemental rate for seriously emotionally disturbed youth.	Rejected.	Sustained
SSI/SSP			

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June 2008 and June 2009 SSI/SSP COLA	Proposed to suspend the state portion of the October 2008 and June 2009 COLA for savings of \$235.4 million GF. In addition, proposed to not pass through the federal portion of the January 2009 COLA and instead divert the funds to the General Fund for savings of \$108.8 million.	Approved suspension of state portion of the October 2008 COLA and the June 2009 state COLA but rejected the federal pass-through diversion to the General Fund.	Sustained

For additional information, contact the County Welfare Directors Association at (916) 443-1749.