

ISSUES TRACKING MATRIX

State Budget: FY 2009-10

June 19, 2009

Issue Area	Governor's Proposal	LAO Recommendation/Proposal	CWDA Proposal	Conference Action
IHSS				
<i>Anti-Fraud Initiative:</i>				
DHCS/DSS Staff	Provide 30 staff to DHCS and 12 staff to DSS for program integrity activities and targeted reviews.	Deny 30 DHCS staff; no position yet on DSS staff		Rejected additional positions requested by DHCS and CDSS; approved \$40 million in GF savings from existing positions plus 6 new IHSS Fraud Investigation positions in DHCS and continued implementation of the QA Initiative at CDSS and within counties; and adopted TBL requiring a report on program integrity review in the IHSS program (6/16/09).
Discretionary Waivers	Provide Directors of DSS and DHCS authority to grant discretionary waivers.			Rejected(6/16/09).
Criminal Background Checks/Fingerprinting	Require a criminal background check/fingerprinting of all non-relative providers.			Rejected(6/16/09).
Timecard Accountability	Require a quarterly assessment of a random sample of all timecards and signature of timecard under penalty of perjury.			Rejected(6/16/09).
NOA "Lite"	Require a NOA "lite" be signed by both providers and recipients.			Rejected(6/16/09).
<i>1915 (j) State Plan Option:</i>				
Risk Management Process	Assumes 20 minutes of social worker time for an undefined "risk management process."		Adopt placeholder TBL requiring DSS to pilot the form, assess implementation costs, and budget those costs appropriately for all counties prior to expanding the pilot.	Adopted CWDA TBL (6/10/09).

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Supports-Broker Training	Provide training to social workers on the concepts and methods of being a supports-broker. Supposedly relates to Advance Pay cases only, but training to be provided to everyone. No assumption that county staff will provide the activities that they are being trained on.		Additional workload/funding needed for county staff to put the training into practice if that is the expectation.	Adopted CDSS Premise (6/10/09).
Notification Letter to Recipients and Providers	Provide letter alerting recipients and providers to transition from IPW to state plan option.		If such a letter is required, state should issue the letter to recipients (with advance notice to counties) and state staff should handle any inquiries from providers and recipients regarding the transition.	Adopted CDSS Premise (6/10/09).
<u>Provider Enrollment Statement Form</u>	Revise the Provider Enrollment Statement Form to incorporate various new statutory requirements and require providers to come to county office in person, with original social security card and photo ID, for verification by county staff.		No state or federal statutory or regulatory basis for in-person visit and verification of info; therefore, eliminate this requirement. Adopt placeholder TBL requiring development of new provider enrollment form and process, with input of stakeholders, to meet the requirements of WIC 12305.81, signed "under penalty of perjury" by the provider, with copies of SSN and photo ID card attached, and allowing the package to be mailed to the county.	Adopted CWDA TBL (6/16/09).
<u>Service Reduction Proposals:</u>				
Limit IHSS Share-of-Cost (SOC) Buy-out	Limit the state's payment of the difference between the Medi-Cal SOC and the IHSS SOC to only those recipients who have a Functional Index (FI) Score, or weighted average, of 4.0 and above.		Adopt placeholder TBL to continue counties' ability to reinstate the buy-out for eligible IHSS recipients who lose the buy-out through no fault of their own using a process known as the X-27 SPEC transaction.	Approved an increase in the SOC of 50% for IHSS recipients receiving a state buy-out (Sept. 1, 2009 implementation date) for GF savings of \$24 million, with placeholder TBL to implement (6/16/09). Adopted CWDA placeholder TBL (6/10/09).

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Tiered FI Score	Provide all IHSS services to individuals with FI Score of 4.0 and higher; do not provide domestic and related services to individuals with FI Score between 3.0 and 3.99; provide no services to individuals with FI Score 2.99 or below.		Assumptions on administrative costs are flawed: 1) most recipients will request re-assessment or appeal (20% assumption low); 2) amount of time to process appeal requests and participate in appeal hearings more like 4-5 hours (30 min and 1 hour assumptions low); 3) counties can not deny an appeal request when dispute involves a subjective determination like the functional rank and scoring (75%/25% assumption wrong); aid-paid-pending will need to be paid pending resolution of appeals (no costs included for this).	Rejected (6/16/09).
Limit Domestic and Related Services	Limit the provision of domestic and related services to individuals who are assess a FI rank (as opposed to an average) of four or five for the activities of daily living associated with housework, laundry, shopping, errands, and meal prep and cleanup.		Same administrative cost flaws as above.	Approved elimination of domestic and related services for recipients with an FI ranking below 4 for the particular service category, except for recipients with paramedical services, protective supervision, or who are receiving 120 overall hours or more on a monthly basis, for GF savings of \$40.7 million, with placeholder TBL to implement (6/16/09).
Provide IHSS to Only the Neediest Consumers	Limit IHSS program eligibility to individuals with FI Scores of 4.0 and above.		Same administrative cost flaws as above.	Approved elimination of all IHSS for recipients with FI scores below 2 except for recipients with paramedical services, protective supervision, or who are receiving 120 overall hours or more on a monthly basis, for GF savings of \$12.5 million, with placeholder TBL to implement (6/16/09).

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Reduce State Participation in IHSS Provider Wages/Benefits	Reduce state's participation in IHSS provider wages to the state minimum wage (\$8.00 per hour) and benefits up to \$0.60 per hour.			Rejected (6/16/09).
<u>Public Authority Administration</u>				Reduced Public Authority administration rates by 20 percent for GF savings of \$4.6 million (6/16/09).
CalWORKs				
LAO Work Participation Option		Make welfare-to-work participation voluntary for all clients through Sept. 30, 2010, and reduce child care and welfare-to-work services by \$200 million.	Refine LAO proposal to narrow to exempt families with one child under age 2 and families with two or more children under age 6.	Reduced funding for child care and employment services for net savings of \$175 million; adopted placeholder TBL to allow for county flexibility for a two-year limited period to exempt categories of or provide good cause exemptions to individuals with high supportive services costs; to suspend the five-year services time clock for exempt recipients during the exemption period; and to increase county flexibility to transfer funds from the MH/SA accounts to the Single Allocation if needed (this latter flexibility may be provided via BBL instead) (6/16/09).

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TANF ECF Local Initiatives			Provide \$400 million in additional federal spending authority and adopt TBL to authorize and implement the CWDA/DSS proposal to access TANF ECF funding for subsidized employment, short-term non-recurring benefits, and basic assistance for both CalWORKs families and non-CalWORKs low-income families and parents (for subsidized employment and short-term, non-recurring benefits only).	Adopted CWDA/DSS proposal to authorize local partnership initiatives to use the ARRA TANF ECF for subsidized employment, short-term non-recurring benefits and supplemental basic assistance for TANF-eligible low-income families (local partnerships to include food banks, private employers, community colleges, workforce agencies, and/or nonprofits); approved suspension of AB 98 and use of AB 98 funding to satisfy the base ECF requirement; and approved \$365 million in federal spending authority in 2009-10 for local ECF initiatives (no GF impact) (6/16/09).
Maximize Federal Funds to Prevent and Reduce Homelessness			Enact a program that coordinates the use of Homelessness Prevention Funds and ECF for comprehensive prevention and re-housing programs to address homeless and housing instability.	No action (therefore this proposal is not adopted) (6/16/09).

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Modified Safety Net	Eliminate benefits for safety-net families not meeting federal work participation requirements.	Require community service/subsidized employment for safety net clients (those on aid more than five years) who are not significantly engaged in employment or other welfare-to-work activities. Clients would be required to participate 20 hours per week in nonsubsidized employment, sufficient hours to meet federal participation requirements, or accept a community service/subsidized employment job for 20 hours per week. Every three months, clients in community service/subsidized employment would be placed in job club/job search for one month. After three cycles, counties could exempt the client.	If this proposal is adopted, use ECF to fund the subsidized employment with GF MOE as 20% match and provide a voluntary exemption for small counties from the proposal.	Rejected (6/16/09).
Grant Cut	Reduce CalWORKs grant by an additional six percent.			Rejected (6/16/09).
Time-Limit Child-Only Grants	Impose a 60-month time limit on grants for children whose parents are undocumented noncitizens, drug felons, or fleeing felons.			Rejected (6/16/09).
Self Sufficiency Reviews	Require a face-to-face self-sufficiency review every six months as a condition of eligibility for all CalWORKs cases except those meeting federal work participation requirements or non-needy caretaker relatives of foster children. The review would assess what services or resources would be necessary to increase participation or hours or to remove barriers to participation.		If this proposal is adopted, provide 60 minutes (rather than 30 minutes) of caseworker time for each SSR.	Rejected (6/16/09).
Eliminate the CalWORKs Program	Eliminate the CalWORKs program effective October 1, 2009; backfill \$326.9 million GF for specified programs currently funded with TANF.			Rejected (6/10/09).

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CalWORKs COLA	Permanently eliminate the statutory requirement for the CalWORKs COLA.			Rejected (6/16/09).
Caseload	Increase CalWORKs funding to reflect caseload increase of 15.5 percent in 2009-10.			Reduced caseload growth from 15.5 percent to 13 percent for assistance savings of \$17.5 million (without impact of TANF ECF, savings would have been \$87.5 million) (6/16/09).
Current Year (CY) Single Allocation				Reduced funding included in May Revision for the CY Single Allocation by \$43 million 6/16/09 (funding would have been above Feb. enacted budget level and has not been allocated yet).
Employment Training Fund (ETF)				Approved one-time transfer of \$35 million from the ETF to offset GF costs in CalWORKs (6/16/09).
Child Care	Reduce the Regional Market Rate (RMR) ceiling from the 85th percentile to the 75th percentile effective July 2009.			Rejected the RMR reduction; held constant the RMR rates at the 2005 level, reimbursing up to a maximum of the 85th percentile (6/16/09).
CWS/Foster Care				
Across-the-Board Reduction to All CWS Programs	Cut \$70.6 million GF from all CWS programs (approximately 8.7 percent across-the-board cut).			Rejected (6/10/09).
CWS Hold Harmless		LAO proposal to suspend the hold harmless budgeting methodology prospectively for three years.		Did not discuss LAO proposal to eliminate hold harmless (therefore the proposal is not adopted) (6/16/09).

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Transitional Housing Program Plus	This program is included in the across-the-board CWS cut of 8.7 percent.	LAO proposed to establish a 30 percent county share-of-cost for the program.		Adopted \$5 million GF cut (6/10/09).
Adoption Assistance Program Reform		LAO proposed reforms to AAP including changing eligibility definitions and grant levels, and tying benefit levels to need rather than automatically increasing them by age.		Adopted elimination of automatic grant increases per LAO proposal and adopted placeholder TBL to tie the benefit increase to need (but not other elements of LAO proposal) (6/10/09).
Foster Care Rates	Reduce by 10 percent the rates for foster family agencies (FFAs), group homes (GHs), seriously emotionally disturbed (SED), supplemental clothing allowance (SCA) and specialized care increment (SCI), effective October 1, 2009.	Eliminate the SCI for foster care, Kin-GAP, and AAP.		Adopted 10 percent rate cut to FFAs and GHs only (6/10/09).
Megan's Law Check	Require county welfare departments to check all prospective licensure applicants and relative/NREFM homes against the Megan's Law Website. When a match verified, counties take appropriate action including denial of licensure and placement, removal of children and finding a new placement, and grievance reviews.		Adopt proposed TBL with technical fix to require the Megan's Law check to be performed prior to approval of relative or nonrelated extended family members, rather than prior to placement.	No action needed. CDSS has indicated that they are okay with the technical fix and are incorporating it into the TBL.
Foster Youth Identity Theft AB 2985	Reduce the local assistance appropriation to reflect a lower "need" for the funds than originally anticipated.		DSS never issued instructions to counties for implementing the legislation, so many counties have not done so yet. Counties need the instructions to know how to refer foster children when there is a finding on their credit report (DSS is mandated to identify a list of agencies to refer youth, which they are still working on). Press DSS to get list done and instructions complete and restore funding.	Adopted CDSS Premise (6/10/09).
SSI/SSP				

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Reduce SSI/SSP Grants	Reduce the SSP payment standard to the federally required MOE level of the 1983 payment standard, effective October 1, 2009.		Reduce SSI/SSP couples grant to the federal minimum, and eliminate SSI/SSP restaurant meal allowance and allow for one-time purchase of cooking equipment.	Reduced SSP grants to couples to the federally required MOE level of the 1983 payment standard per MR and reduced SSP grants to individuals by \$5 per month (6/16/09).
Cash Assistance Program for Immigrants (CAPI)	Eliminate CAPI.		Restrict CAPI to most vulnerable populations, such as those living alone or those without adequate sponsors.	Rejected (6/16/09).
SSI/SSP COLA	Permanently eliminate the statutory requirement for the SSP COLA.			Rejected (6/16/09).

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Automation				
SAWS M&O Savings		Reduce the SAWS M&O budget by 10 percent for \$6.0 million in savings.	Reduce SAWS M&O budget by \$4.5 million and adopt TBL to provide following project flexibility: 1) eliminate state approval/notification for changes with an approved line item; 2) provide notification only for changes between line items of 10% or \$100,000, whichever is greater; 3) obtain prior approval from OSI for changes greater than 10% or \$100,000; obtain prior approval from DOF of any change that will result in an increase project's total budget in the current or future fiscal year.	Adopted \$4.5 million reduction and CWDA TBL (6/10/09).
CWS/CMS		Reduce child welfare system maintenance and operations by 10 percent in 2009-10 and 2010-10 for annual savings of \$4.0 million.		Adopted \$4.0 million reduction (6/10/09).
Statewide Fingerprint Imaging System (SFIS)				Adopted elimination of state GF for SFIS (6/10/09).

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Other Human Services Issues				
HHS Realignment	Increase the county share for CWS and Foster Care to 75 percent and allow counties to fund with "savings" from elimination of CalWORKs and various IHSS program cuts.			Rejected Administration realignment proposal; approved a shift of \$300 million in CalWORKs assistance payment costs to counties, which will increase the county share from 2.5 percent to a new share (CWDA is still determining the new percentage share); approved shift of Vehicle Licence Fee reserve funds from DMV to the counties to pay for the increased CalWORKs assistance costs; adopted placeholder TBL to implement changes (6/16/09).
Community Care Licencing	Eliminate state GF support for CCL and increase fees by 80 percent for most facilities. This is on top of the 16 percent fee increased proposed in January (or which 10 percent was approved by both Subcommittees in the Spring).	Reduce CCL visit protocol from 30 percent to 10 percent random sample for non-residential facilities and 20 percent random sample for residential facilities.		Rejected elimination of state support; approved a one-time \$5.3 million reduction and adopted placeholder TBL; reaffirmed previous action to increase fees by 10 percent (6/16/09).
California Food Assistance Program (CFAP)	Eliminate CFAP.			Rejected (6/16/09).

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Department of Health Care Services				
Adult Day Health Care Program	Eliminate ADHC services completely (original MR proposal was to limit ADHC services to three days per week).			Adopted placeholder TBL limiting ADHC services to three days per week effective August 1, 2009 until a higher threshold for medical necessity/medical acuity is established by DHCS, establish definitions of medical acuity, and engage a stakeholder process to proceed with implementation of the new definitions; approved a rate freeze effective August 1, 2009, approved seven nurse evaluators for DHCS to conduct on-site treatment authorization reviews of ADHCs and adopted associated savings of \$10 million (\$5 million GF) (overall net GF savings of actions is \$26.8 million) (6/16/09).
California Department of Aging				
Multipurpose Senior Services Program (MSSP)	Eliminate MSSP.			Rejected (6/16/09).
Linkages Program	Eliminate Linkages.			Approved reduction of \$2.5 million GF effective October 1, 2009; adopted placeholder TBL to establish priority within the program for individuals who are living in poverty (6/16/09).

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Community Based Services Program	Eliminate Community Based Services Programs, including the Alzheimer's Day Care Resource Center (ADCRC), Brown Bag; Respite Purchase of Services, and Senior Companion programs.			Rejected elimination of the Brown Bag Program; approved elimination of GF support for the Senior Companion Program for \$257,000 GF savings in 2009-10; approved elimination of GF support for the Respite Purchase of Services Program for \$257,000 GF savings in 2009-10; approved reduction of \$1.2 million GF from ADCRC Program effective October 1 and adopt placeholder TBL to ensure that remaining resources are focused on provision of direct services (6/16/09).
Adult Day Health Care Program - State Operations	Eliminate state operations support for ADHC program in CDA to conform to ADHC reduction proposal in DHCS.			Rejected (6/16/09).