

FY 2019-20 State Budget Issues

6/12/2019



CWDA
Advancing Human Services
for the Welfare of All Californians

Revised:

Issue Area	FY 2019-20 May Revision	Stakeholder/Legislature Proposals	Legislative Action
Medi-Cal			
County Admin Funding	The May Revision includes \$2.1 billion (\$729 million GF) in 2019-20 for county eligibility functions, including \$68.3 million total funds to provide a 3.39 percent increase based on the an increase of \$15.3 million total funds, in addition to the \$53 million increase reflected in the January budget, based on a higher California Consumer Price Index now projected at 3.39 percent compared to the 2.63 percent reflected in the January budget.		Approved as budgeted.
Full Scope Expansion for Young Adults	The May Revision includes \$98 million (\$74.3 million GF) compared to the January budget which proposed \$260 million (\$196.5 million GF) to expand full-scope Medi-Cal coverage to eligible young adults aged 19 through 25 regardless of immigration status. The May Revision also estimates the population within the first year of implementation to be 90,000 individuals (75 percent of which are known to the Medi-Cal program), compared to the 138,000 individuals initially anticipated in the January budget and the May Revision also pushes the implementation date forward from the January budget date of July 1, 2019, to no sooner than January 1, 2020. Sufficient county administrative funding is included in the budget in order for counties to transition this population to full-scope Medi-Cal.		Approved as budgeted.
Full Scope Expansion for Seniors		Additional expenditure authority of \$62.5 million (\$49.6 million General Fund and \$12.8 million federal funds) to expand full-scope Medi-Cal coverage to undocumented seniors age 65 and over, effective January 1, 2020.	Did not adopt.
Whole Person Care Pilot	The May Revision continues to propose \$100 million GF (one-time with multi-year spending authority) for Whole Person Care Pilot Programs. These pilot programs are intended to target individuals who are experiencing homelessness, or who are at risk of homelessness, and have a demonstrated medical need for housing and/or supportive services. This funding will be used to match local county investments in health and housing services with a focus on the homeless mentally ill population. In addition, the May Revision included an additional \$20 million for counties that do not operate a Whole Person Care Pilot program.		Approved as budgeted and adopted TBL regarding allocation and use of funds.
Continuum of Care Reform (CCR)			
Foster Family Recruitment, Retention, and Support (FPRRS) Funding	The May Revision proposes \$21.6 million GF (\$26.7 million total funds) over the January budget for FY 2019-20, which would extend current year funding on a one-time basis to counties.	The Alliance for Children's Rights, California Alliance of Caregivers, Children NOW, CSAC, CWDA and CPOC requests the provision of \$43.2 million GF for FPRRS (and to rename as Family Stability Funds).	Approved May Revision as budgeted.
Resource Family Approval (RFA)	The May Revision restores partial funding to county child welfare agencies on a one-time basis, proposing \$14.4 million GF (\$20.3 million total funds) to support county child welfare administration activities associated with this process.	CSAC and CWDA requested restoration of the RFA Admin and Backlog in the amount of \$24.4 million GF.	Approved May Revision as budgeted.
Child and Family Teams (CFTs)	The May Revision continues funding to implement CFTs, providing \$54.5 million GF (\$74.4 million total funds) in FY 2019-20, of which \$49.5 million GF (\$67.6 million total funds) is available for child welfare agencies.		Approved as budgeted.
Home-Based Family Care Rate	The May Revision makes adjustments to reflect caseload and costs, and updated projections, in family-based and congregate care placements. The Budget provides \$152.8 million GF in FY 2018-19 and \$142.2 million GF in 2019-20.		Approved as budgeted.
CANS	May Revision continues to propose one-time funding of \$9.8 million GF (\$13.5 million total funds) for 2019-20 only, to implement the required Child and Adolescent Needs and strengths (CANS) assessment tool. The budget notes the funding is intended as "start up" to provide extra time for caseworkers to complete the assessment until staff are trained statewide and previously required assessment tools are phased out.	CWDA proposed TBL to require the department to work with CWDA to track costs associated with implementing CANS to inform future budgeting, and require the dept to incorporate any necessary budget changes at part of 2020-2021 May Revision or a later date with the agreement of CWDA.	Approved as budgeted and adopted TBL to track costs and workload associated with CANS.
LOC Protocol	May Revision continues to provide \$7.3 million GF (\$9.2 million total funds) in 2019-20 for counties to implement the LOC protocol.		Approved as budgeted.

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CCR Quarterly Updates	N/A	Assembly proposed to codify the existing supplemental report language requiring quarterly updates to the Legislature on CCR implementation.	Adopted TBL to codify the existing quarterly in-person updates to the Legislature on CCR implementation.
Group Home Extension TBL	N/A	CWDA requested trailer bill language to provide for a one-year extension of the existing statutory requirement for all group home providers to convert to Short Term Residential Treatment Program licensure.	Adopt TBL per CWDA proposal.
CWS/Foster Care			
Commercial Sexual Exploitation of Children (CSEC)	May Revision continues to fund this county-optional program at the current level, \$18.785 million GF.		Approved as budgeted.
Payment Prior to Approval	The May Revision proposes, for one year only, to extend payments prior to approval, from 90 days to 120 days and up to 180 days for good cause. Beginning in FY 2020-21 and annually thereafter, payments would be provided for up to 90 days. The May Revision budgets \$16.5 million GF (\$34.9 million total funds) in FY 2019-20 for these payments.	The Alliance for Children's Rights and Children NOW requested language to allow for extended payments for good cause up to 365 days for 2019-20 and beyond.	Approved as budgeted and adopted TBL to allow for extended payments for good cause up to 365 days for 2019-20 only.
Title IV-E Waiver	May Revision continues to propose \$21.4 million supplemental federal funding for assistance and administrative activities relating to newly required Title IV-E eligible activities. FY 2019-20 proposed budget makes fiscal adjustments to account for the ending of the Title IV-E Waiver on September 30, 2019.		Approved as budgeted.
Bringing Families Home Program	May Revision continues to propose the reappropriation of unexpended funds from 2018-19 to 2019-20.	CWDA, the California State Association of Counties (CSAC), the Corporation for Supportive Housing, and Housing California requested \$25 million GF on a one-time basis to continue and expand the existing Bringing Families Home program.	Approve May Revision and additionally approve \$25 million GF one-time for the program and adopted TBL to revise statute governing the program.
Emergency Child Care Bridge	N/A	A stakeholder coalition requested a \$47 million GF increase ongoing to expand the Emergency Child Care Bridge Program for Foster Children. The program is currently funded annually at \$31 million GF.	Approved \$10 million GF with potential program suspension after December 31, 2021.
Family Urgent Response System (FURS)	N/A	CWDA, Children NOW, SEIU California, and the County Behavioral Health Directors Association (CBHDA) requested \$15 million in 2019-20 and \$30 million ongoing to support foster youth and caregivers. FURS provides foster youth and their caregivers with immediate trauma-informed support when issues arise, and link youth and families to community-based supports and services. The requested funds would help to establish and maintain a statewide hotline available 24/7 for caregivers and youth who experience emotional, behavioral, or other difficulties in need of immediate help. It would also allow counties to establish mobile response teams to provide in-home response on a 24/7 basis to stabilize the situation, assess needs, and develop an action plan.	Approve \$15 million in 2020, and \$30 million General Fund in out years with a potential suspension of the program on December 31, 2021.
Addressing Impact of State Minimum Wage on Foster Family Agencies	N/A	NASW, the California Alliance of Caregivers, John Burton Advocates for Youth, the California Coalition for Youth, the Inland Empire Alliance, the Orange County Alliance for Children and Families, and the Association of Community Human Services Agencies request \$26.8 million to address the impact of the state minimum wage increases on the salaries of social workers employed by Foster Family Agencies.	Approve \$6.5 million General Fund annually with a potential suspension on December 31, 2021, for a one-time COLA increase to rates paid to FFAs, except the portion paid to family homes or resource families
Reduce Homelessness Among Foster Youth (Expand THP-Plus)	N/A	The John Burton Foundation requested \$8.5 million GF to expand the THP-Plus Program.	Approve \$8 million GF annually with a potential program suspension on December 31, 2021 and TBL to provide housing support to older foster youth.

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Increase Casework and Housing Navigation for EFC	N/A	The Alliance for Children's Rights, Children NOW, County Welfare Directors Association of California (CWDA), and Service Employees International Union (SEIU) California, requested a \$50 million GF investment to support transition-aged foster youth and young adults participating in the Extended Foster Care Program. The request includes the following components: <ul style="list-style-type: none"> •\$32.9 million GF to enable county caseworkers to better support youth who opt into the EFC program. •\$10.2 million GF for Housing Navigators to help young adults in EFC find and keep housing. •\$2 million GF for housing-related financial assistance such as security deposits and utility payments •\$4.9 million GF to support foster homes transitioning to become host families for youth in EFC. 	As part of the overall housing and homelessness package,, approved \$5 million to support housing navigators to help young adults aged 18 to 21 secure and maintain housing, with priority given to foster youth.
Public Health Nurse Funding - LA Pilot Program	N/A	SEIU California requested \$16.5 million (\$8.25 million General Fund and an anticipated \$8.25 million federal match) to create the Child Welfare Public Health Nursing Early Intervention Pilot Program. The pilot program would build upon the existing use of public health nurses in the field in Los Angeles County.	Approved \$8.3 million annually for the pilot with a potential program suspension on December 31, 2021.
Dependency Counsel	The May Revision proposes an increase of \$34 million federal fund reimbursement to support court-appointed dependency counsel and reduce caseloads for attorneys representing children, youth and parents in the dependency system.		Approved as budgeted.
Mental Health/Substance Abuse			
Adverse Childhood Experiences (ACEs) and Developmental Screening	May Revision continues to propose \$45 million total funds (\$22.5 million federal funds and \$22.5 million Proposition 56 funds) to implement ACEs screenings for children (and adults under the age of 65) in the Medi-Cal program. May Revision also proposes \$50 million total funds (\$25 million federal and \$25 million Prop. 56 funds) on a one-time basis for training of providers on administering trauma screenings.		Approved as budgeted.
Mental Health Workforce Investment	The May Revision proposes a total investment of \$100 million GF in one-time funds to support implementation of the Workforce Education and Training (WET) five-year plan to increase the number of providers focused on quality mental health care. The funds are administered by the Office of Statewide Health Planning and Development (OSHDP) and provided to universities, health clinics and philanthropic organizations.		Approved \$46.3 million General Fund one-time for Mental Health Workforce Development, \$1 million General Fund one-time for scholarships for former foster youth, and \$2.7 million General Fund one-time for psychiatry fellowships.
Early Psychosis and Treatment	May Revision continues to propose \$25 million GF for detection and intervention services for young persons experiencing, or who are at risk of experiencing, psychosis. This one-time funding would be available through a grant application process to local agencies and organizations.		Approved \$20 million one-time, in Prop 63 (in place of GF) and transfer resources to the Mental Health Services Oversight and Accountability Commission. Adopted TBL to allow State Funds to be used for the Mental Health Early Psychosis and Mood Disorder Detection and Intervention (AB 1315) program.
CalWORKs			
Grant Increases	The May Revision continues to provide \$348 million to increase CalWORKs grants by 13.1 percent.		Approved May Revision funding and adopted TBL to modify Governor's proposal to raise grants to 50 percent of FPL for AUs of one, and 48 percent for all other AUs, toward the goal of ending deep poverty for all AUs+1, accounting for child-only AUs (55 percent of the caseload), per the 2018 Budget agreement.
Single Allocation - Employment Services	The May Revision includes an ongoing increase of \$41.4 million General Fund and federal TANF block grant funds in 2019-20 to reflect the adoption of a portion of the revised budgeting methodology for the Employment Services component of the CalWORKs Single Allocation to counties.	CWDA requested TBL expressing intent to go to 10 hours per case per month for 'intensive' Employment Services cases and for the Department to continue to work with CWDA on case metrics.	Approved as budgeted and adopted TBL requiring CDSS to continue to work with CWDA on case metrics.

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Strengthen the Earned Income Disregard (EID) and Simplify the Income Reporting Threshold (IRT)	N/A	CWDA requested that the Earned Income Disregard (EID) for the CalWORKs program be increased from \$225 and 50 percent of income to \$500 and 50 percent of income beginning in January 2019 until it reaches \$600 and 50 percent of income beginning January 2022 when the state minimum wage reaches \$15 per hour, and then applying subsequent adjustments in future fiscal years to ensure the EID keeps pace with inflation. Additionally, this proposal would make conforming changes to the Income Reporting Threshold (IRT) in order to factor in the EID and minimize the reporting burden for clients. This update to the EID will cost \$35 million in 2019-20, increasing to about \$95 million in annual costs at full implementation in 2020-21. There are no additional costs to simplify the IRT as proposed.	Approve \$6.8 million in 2019-20, \$74.4 million in 20-21, and \$85.7 million in 21-22, and \$99 million in 22-23 to make changes in the EID consistent with the CWDA request, commencing June 1, 2020. Did not approve ongoing inflation to EID after 2021-22.
CalOAR	The May Revision provided an increase related to the Cal-OAR of \$13.2 million in 2019-20 for counties to perform required Continuous Quality Improvement activities consistent with Cal-OAR implementation.	The Western Center on Law and Poverty (WCL&P) and the Coalition of California Welfare Rights Organizations (CCWRO) requested trailer bill language to codify the intent of CalOAR, a performance measurement system for CalWORKs.	Approved as budgeted and adopted TBL consistent with stakeholder request.
CalWORKs 2.0 TBL		The WCL&P and CCWRO also requested TBL to formally recognize CalWORKs 2.0 in statute.	Adopted TBL as part of CalOAR TBL described above.
Housing Support Program (HSP)	Funding for the Housing Support Program is proposed to increase to \$95 million in FY 2019-20. Proposal to reappropriate unexpended balances from funds appropriated in the 2018 Budget Act.		Approved as budgeted.
Family Stabilization	Family Stabilization is proposed at \$46.9 million in 2019-20, which is the same as the appropriation in 2018-19.		Approved as budgeted.
Expanded Subsidized Employment	Expanded Subsidized Employment is proposed at \$134.1 million in 2019-20, which is the same as in prior years.		Approved as budgeted.
Home Visiting Initiative (HVI)	The May Revision provides for a total of \$90.4 million for the HVI program, to reflect updated projections of CalWORKs cases eligible for home visiting services and to make the HVI program permanent.	The WCL&P, Parents as Teachers, Head Start California, Children NOW, and the GOOD+ Foundation requested an additional \$25 million to extend HVI to more CalWORKs families who are expecting or parenting a child under the age of two, regardless of whether they are first time parents or not.	Approved May Revision as budgeted and adopted TBL to recognize the permanent nature of the program and allow participation for all eligible children ages 0-2 years.
Restoration of 60-Month Time Clock		The WCL&P and CCWRO requested that the CalWORKs time limit be restored to the full 60 months allowable per federal law. The time limit was reduced to 48 months in 2012-13. Additionally, the request includes a proposal to repeal the two 24 month periods but retain county flexibility to design Welfare to Work programs that fit the needs of families.	Adopted SRL to require the Administration and LAO to provide information on cost estimates and cost implications of restoring the 60-Month Time Clock.
CalLearn Case Management Standards	May Revision provides \$5.8 million to reflect adherence to new case management standards in the CalWORKs Cal-Learn program.		Approved as budgeted.
Repeal CalWORKs Asset Test	N/A	The WCL&P, Prosperity Now, EARN, the California Association of Food Banks, the California Asset Building Coalition, and the CCWRO requested repeal of the CalWORKs Asset Test in the 2019-20 budget. Currently, families with total assets exceeding \$2,250 or with a vehicle assessed at more than \$9,500 cannot qualify for CalWORKs.	Approve \$7.5 million in 2019-20, \$27.8 million in 20-21, and \$30 million in 21-22 and ongoing to raise the CalWORKs asset limit to \$10,000 and the motor vehicle exemption to \$25,000. Adopted trailer bill language to implement these changes and tie the limits to inflation factors.
Homeless Assistance Program		The WCL&P and the CCWRO requested a change in statute so that a single time-limited use of homeless assistance does not result in a family losing all 16 days of temporary shelter. The proposal also requested that the limit on the use of homeless assistance payments to once a year be repealed.	Approved \$14.6 million GF for 2019-20 and placeholder TBL to remove the 16-day consecutive requirement in the CalWORKs Homeless Assistance Program, allowing for use of the 16 days in a year-long period, to begin in 2019-20.
Safety Net Reserve Fund	May Revision continues the proposal to increase funding by \$700 million, bringing the total amount in the fund to \$900 million, to be available to CalWORKs and Medi-Cal services and benefits during an economic downturn. Also proposed, is language to eliminate the CalWORKs and Medi-Cal subaccounts to establish a contribution methodology.		Approved as budgeted.

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Child Care			
CalWORKs Stage One 12-month Eligibility	May Revision provided \$40.7 million GF in 2019-20 and \$54.2 million ongoing GF to provide a minimum of 12 months of continuous eligibility for Stage 1 child care to CalWORKs recipients, effective October 1, 2019. Beginning in 2019-20, CalWORKs recipients would be required to receive a minimum of 12 months of Stage 1 Child Care in order to be determined stable and able to transition to Stage Two. May Revision also proposed to remove the Stage 1 child care component from the Single Allocation.	CWDA requested one additional fiscal year to provide time to transition to the removal of Stage One Child Care from the Single Allocation.	Approve CalWORKs Stage One twelve month eligibility (SB 321) and \$56.4 million General Fund in 2019-20 (\$74.2 million ongoing). Retain county's definition of stability for Stage Two. Also includes additional noticing requirements of the availability of child care. Delayed separation of Stage One child care component from Single Allocation by one year.
Improving Access and Quality of Subsidized Child Care	<p><u>State Preschool Expansion:</u> The January proposal included \$125 million non-Prop. 98 GF for 10,000 additional full-day State Preschool slots for non-LEA providers in 2019-20. Also included in the January proposal was the elimination of the requirement that families must be working or in school for their children to be eligible for full-day State Preschool. The May Revision adjusted this proposal to provide the 10,000 slots in 2019-20, beginning April 1, 2020, reducing the cost to \$31.4 million.</p> <p><u>Early Learning and Care Workforce Infrastructure:</u> The January budget proposed \$245 million to increase the education attainment of the child care workforce, to be distributed via a competitive grant process through local partnerships in all 58 counties. The grants could be used for educational expenses, including tuition, supplies, transportation, child care, substitute teacher pay, and other related expenses as determined by the Superintendent of Public Instruction.</p> <p><u>Early Learning and Care Infrastructure Proposal:</u> The May Revision continued proposal of \$245 million to expand facilities for subsidized child care. Priority will be given to applicants with a demonstrated need for facilities, those serving low income communities and those who plan to serve children that qualify for subsidies.</p>		<p><u>State Preschool Expansion:</u> Approved \$80.5 million in ongoing Proposition 64 funding for Alternative Payment slots starting July 1, 2019. Approve \$50 million in one-time General Fund for ongoing General Child Care slots (slots to be funded in future years with growth in Proposition 64 funds).</p> <p><u>Early Learning and Care Workforce Infrastructure:</u> Approved \$195 million in one-time GF for the Child Care and Early Learning and Care Workforce Development Grant and adopted TBL to: Expand trainings and support activities to a broad range of providers; and ensure stipends and professional development provided align with the Quality County California professional development system.</p> <p><u>Early Learning and Care Infrastructure Proposal:</u> Adopted TBL to: Transfer approximately \$18 million in non-Prop 98 funding from the Child Care Facilities Revolving Loan Fund for purposes of this program; transfer \$10 million in Prop 98 funding from the Child Care Facilities Revolving Loan Fund to the Inclusive Early Education Expansion Program; allow the Department of Education to use up to 5 percent of grant funding to contract for technical assistance; and provide up to five percent to support renovation, repair, modernization, or retrofitting to address health and safety or other licensing needs.</p>
CalFresh			
County Admin Funding	The May Revision includes a decrease of \$38.6 million GF to CalFresh Administration for FY 2019-20, due to continues caseload reductions projected for CalFresh.		Approved as budgeted.
Expansion of CalFresh to SSI Households (SSI Cash-Out Reversal)	Makes permanent the hold harmless provisions for families who experience a loss/reduction in CalFresh benefits due to inclusion of SSI income. These hold harmless provisions apply only to families on CalFresh at the time that SSI cash-out reversal is implemented (June 1, 2019), but will apply to those families until they leave CalFresh. These hold harmless provisions were previously only in effect for as long as \$200 million one-time GF remained available. The budget includes \$86.7 million GF in 2019-20 for the hold harmless benefits.		Approved as budgeted.
Admin Funding for 'Expansion of CalFresh to SSI Households (SSI Cash-Out Reversal)	May revision proposes a total of \$30.3 million GF for 2019-20 for county administration of Expansion of CalFresh to SSI households. Of the total, \$15 million is proposes as one-time funding with BBL that would only allow counties to use funds for unanticipated expenditures upon approval from DOF.	CWDA requested an additional \$15.4 million GF (\$5.3 million one-time) to support the significant workload associated with the estimated 10 percent increase in CalFresh caseload that will result from the Expansion. The request includes an update to the budgeting methodology unit cost used for the workload to current worker rate levels and one-time investment for costs associated with a large influx of applicants related to the reversal of this policy.	Approved May Revision as budgeted but rejected administration's BBL and replaced it with TBL requiring the department to work with stakeholders to update the CalFresh budgeting methodology and budget bill language requiring county welfare agencies and the department to submit available data on a monthly basis to the Department of Finance to illustrate workload and costs trends associated with enrollment activities.
Supplemental Reporting Language on CalFresh	N/A	The Legislature proposed SRL to require CDSS to provide implementation reports and updates.	Adopted SRL requiring CDSS to provide a updates and report on implementation.

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Simplifying Senior Access to CalFresh	N/A	California Food Policy Advocates and the California Association of Food Banks, along with local food banks and other partners, request a one-time augmentation of \$1 million General Fund for the department to design and automate a user-centered, simplified CalFresh application for seniors and people with disabilities.	Did not adopt.
ABAWDs	The May Revision includes almost \$5.5 million (\$1.9 million GF), approximately \$1.2 million less, for FY 2019-20 in funding for ABAWD implementation compared to the proposed January budget which initially estimated a total of \$6.6 million (\$2.3 million GF) due to decline in the CalFresh caseload.		Approved as budgeted and adopted SRL to require CDSS to provide updates and reports on planning efforts related to ABAWDs.
IHSS			
County Admin Base Funding	The May Revision proposes \$300.6 million GF (\$666.5 million total funds) for IHSS administration, an increase of \$9 million GF from FY 2018-19.		Approved as budgeted.
County IHSS MOE	The May Revision provides an additional \$55.1 million GF related to the rebenching of the County IHSS maintenance-of-effort to reflect revised 1991 Realignment revenue projections and revised IHSS caseload and cost estimates. This brings the total GF investment in the IHSS MOE to \$296.7 million in 2019-20, \$428.5 million in 2020-21, \$517.8 million in 2021-22, and \$615.3 million in 2022-23 and beyond. The total rebenched county IHSS MOE is \$1.563 billion in 2019-20, with an inflation factor of 4 percent beginning in 2020-21.		Adopt Governor's proposal to rebench the County IHSS MOE requirement in 2019-20.
County IHSS MOE Trailer Bill Language to Implement Rebenched IHSS MOE	The May Revision continues to propose TBL to implement the rebenched MOE, including changes to the calculations of county-specific IHSS MOE adjustments: <ul style="list-style-type: none"> - Reset the base hours for the calculations at 2019-20 - Include an adjustment for health inflation cost increases beginning after July 1, 2019 when a county enters into a new collective bargaining agreement with providers - Changes the state/county sharing ratio in nonfederal costs from 65 percent state/35 percent county to 35 percent state/65 percent county when the state minimum wage hits \$15 per hour The proposed TBL would also end the acceleration of 1991 Realignment sales tax revenues and the redirection of VLF growth revenues to cover IHSS costs.		Approved TBL consistent with May Revision.
County IHSS MOE Inflation Factor - Stakeholder Proposal	N/A	UDW requested TBL that would only allow a county's IHSS MOE inflation factor to drop from the current 7 percent to 4 percent if the county has an MOE or collective bargaining agreement in place with IHSS providers that provides a wage above the state minimum wage.	Adopted TBL that subjects a county to a financial penalty under certain circumstances when the county and the IHSS provider employee organization fail to reach agreement on provider wage increase negotiations.
Public Authority Admin	May Revision proposes \$24.95 million GF in FY 2019-20, a \$3.3 million net GF increase over 2018-19, for PA Admin.		Approved as budgeted.
Electronic Visit Verification (EVV)	The May Revision proposed \$4.1 million GF for county implementation of EVV.	CWDA requested an additional \$8.6 m GF (\$15.6 million total funds) for ongoing workload of onboarding new recipients and providers and TBL that requires CDSS to work with CWDA to determine actual one-time and ongoing EVV costs.	Adopted TBL to require CDSS to work with CWDA to track workload and costs of EVV implementation. Adopted TBL allowing IHSS services providers to enroll in electronic payroll no later than twelve months after implementation of the federal electronic visit verification mandate, or November 1, 2021, and other provisions relating to payroll cards
Paid Sick Leave for Providers	The May Revision provides \$135,000 GF for IHSS administration activities to address calls to county staff and provides \$29.4 million GF (\$64.3 million total funds) for estimated paid sick leave costs in FY 2019-20.		Approved as budgeted.

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Seven Percent Service Reduction Restoration	The Governor's January Budget proposed to continue the restoration of the 7 percent reduction on an on-going basis beginning July 1, 2019 and provided \$342.3 million GF to replace the Managed Care Organization tax fund source, which is set to expire at the end of this fiscal year. The May Revision updates the funding based on caseload growth and costs per case to \$357.6 million GF, an increase of \$15.7 million over the January Budget estimate, but proposes to end the restoration December 31, 2021 in order to contain costs.	The IHSS Coalition requests the Legislature include trailer bill language to rescind Welfare and Institutions Code Sections 12301.01 through 12301.05 to permanently restore the seven percent across-the-board IHSS service hours.	Approve the Governor's May Revision to temporarily restore the seven percent across-the-board reduction to IHSS service hours through December 31, 2021.
Adult Protective Services (APS)			
Training Funding	N/A	The California Welfare Directors Association (CWDA), the California State Association of Public Administrators/Guardians/Conservators, the California Commission on Aging, and the California Elder Justice Coalition request \$5.75 million General Fund over three years to provide additional resources for APS social worker training.	Approved \$5.75 million, consistent with CWDA request.
Supplemental Security Income/State Supplemental Program (SSI/SSP)			
Housing and Disability Advocacy Program (HDAP)	May Revision proposes on-going funding of \$25 million GF beginning in 2019-20 for this program and TBL that would include recognized tribes to the list of eligible recipients, clarify that funding for the HDAP can be used for either SSI advocacy or housing supports for potentially SSI-eligible individuals, and adds flexibility to the requirement that HDAP clients must be housed in units sustainable upon		Approved and adopted state TBL.
SSI/SSP COLA	SSI/SSP recipients can expect to see the federal portion of their grant increase by 2.8 percent on January 1, 2019, and by an estimated 2.5 percent on January 1, 2020. The May Revision continued to propose passing through the federal COLA. The May Revision did not propose to include a COLA on the state portion	Stakeholders requested COLA for the state portion of the grant.	Approved May Revision as budgeted.
Automation			
CWS-CARES	The May Revision continues to include a funding decrease to \$99.8 million in current year consistent with the project's reassessment of the development approach.		Approved as budgeted.
CalSAWS	The May Revision includes \$154.7 million in 2019-20. The project began in March 2019, Federal approval having been delayed two months due to the government shutdown.		Approved as budgeted.
CalSAWS TBL	N/A	The Alliance to Transform CalFresh requested TBL to improve consumer experience with social services programs administered through CalSAWS.	Adopted TBL.
Expansion of CalFresh to SSI Households (SSI Cash-Out Reversal)	The May Revision continues to include \$12.8 million funding for the SAWS automation changes to support the June 2019 implementation of the CalFresh Expansion. \$1.8 million of the funds have been shifted from current year to budget year.		Approved as budgeted.
CalWORKs Outcomes and Accountability Review (Cal-OAR)	No change in funding. Due to very recent changes in the implementation timing for Phases 1 and 2, we anticipate the SAWS will request that the current year funds be shifted to the budget year. The May Revision continues to include \$2.8 million in current year funding, and \$1.6 million in budget year funding, for SAWS changes to support Cal-OAR reporting needs.		Approved as budgeted.
Disaster CalFresh	N/A	CWDA requested \$1.8 million (\$900,000 GF) to automate Disaster CalFresh eligibility determinations and add related forms, notices, required state reports in the CalACES systems.	Approved CWDA request.
Statewide Verification Hub	The May Revision reflects \$652,000 in budget year funding for initial planning for a State Verification Hub that is intended to streamline and modernize the verification process for CalWORKs, CalFresh, and Medi-Cal, and to improve the client experience.		Approved as budgeted.
CalWORKs 2.0	N/A	CWDA requested \$5.1 million to automate CalWORKs 2.0 tools in the SAWS and make them available to CalWORKs participants via the SAWS online web portals.	Did not adopt.

FY 2019-20 State Budget Issues

6/12/2019



CWDA
Advancing Human Services
for the Welfare of All Californians

Revised:

Issue Area	FY 2019-20 May Revision	Stakeholder/Legislature Proposals	Legislative Action
Other			
Earned Income Tax Credit (EITC)	<p>The May Revision proposes a significant expansion of the California EITC, to rename the credit a cost-of-living refund, and to establish an Advance Payment system for recipients of the credit. The newly expanded credit will be available to roughly 3 million households in total and will approximately triple the amount of credits provided from \$400 million to about \$1.2 billion. The expansion would:</p> <ul style="list-style-type: none"> -- Provide a \$1,000 credit for every family that otherwise qualifies for the credit and has at least one child under the age of 6; --Increase the maximum eligible earned income to \$30,000 so that those working up to full-time at the 2022 minimum wage of \$15 per hour will be eligible for the credit; --Change the structure of the credit so that it phases out more gradually, providing a more substantial credit for many eligible families; --Provide \$18.7 million GF to the Franchise Tax Board (FTB) to develop a program to give Cal-EITC recipients the option to receive a portion of their Cal-EITC as monthly advance payments rather than as a lump sum at the end of the year when they file their taxes, contingent on a determination by the Department of Finance determination that the monthly advance Cal-EITC payments will not affect taxpayer's eligibility for any income-based federal or state programs. <p>To pay for the entire Cal-EITC program, the May Revision proposes conforming to a number of federal tax provisions mainly impacting business income and also proposes to partially conform to the federal provisions on deferred and reduced capital gains for investments in the California Opportunity Zones designated in 2018.</p>		<p>Approved placeholder tax conformity and EITC BBL and TBL package, pending disposition of a legislative package on those items., 2) Reject Advance Payments with BBL.</p>
Managed Care Organization (MCO) Tax	N/A		Adopted placeholder TBL to authorize MCO Tax but assumed no budget impact pending federal approval.
Immigration Rapid Response Program	<p>May Revision included \$7.3 million to provide funding for nonprofits who operate emergency shelters for migrants in San Diego and Riverside counties. A corresponding decrease will be made to the Rapid Response Reserve. Language that would transfer \$12.7 million GF to the Rapid Response Reserve Fund is also proposed. These funds will be available over three years to assist qualified community-based organizations and nonprofit entities in providing services during immigration emergent situations when federal funding is not available.</p>		Approved as budgeted.
Disaster Relief and Preparedness	<p>The May Revision includes \$10 million one-time General Fund to support local communities in their recovery from the Camp Fire. Further, the May Revision proposes a \$2.9 million GF increase and 20 additional positions for CDSS to support mandated disaster preparedness, response and recovery operations in support of mass care and shelter responsibilities.</p>		Approved as budgeted.