



CWDA

Advancing Human Services
for the Welfare of All Californians

State Budget Update #3

Budget Conference Committee

Outcomes

June 11, 2018 | 17 Pages

Late in the day last Friday, the Budget Conference Committee completed its work reconciling the differences between the 2018-19 budgets adopted by the Senate and Assembly. The budget agreement next goes back to each house for a full vote before it is sent to the Governor for signature. We expect the Legislative votes on the budget bill will occur by the June 15 statutory deadline, with the associated implementing trailer bills being passed either at the same time or shortly thereafter. The Governor then has until June 30 to sign the budget.

Overall Budget Picture

The Legislature adopted the Governor's May Revision revenue assumptions, rather than the higher General Fund (GF) revenue assumptions that the Legislative Analyst's Office (LAO) made in late May. The Legislature provided funding to fully fund the Proposition 2 Rainy Day Fund at 100 percent of the Constitutional target (\$13.8 billion), as proposed by the Governor.

In addition to the existing Rainy Day Fund and the regular reserve, the Legislature created two new reserves: the Safety Net Reserve and the Budget Deficit Savings Account. The Safety Net Reserve is intended to provide a specific reserve for the Medi-Cal and CalWORKs programs to be used during a recession to mitigate reductions to these two programs. An initial \$200 million is deposited into this reserve with the rules for use of the reserve being developed. The Budget Deficit Savings Account is another reserve that would receive deposits on October 1 of each year from the GF after Constitutionally required Proposition 2 reserve and debt payment requirements are met. Those reserves could only be used during a state budget deficit with only up to half being available for withdrawal in any one fiscal year with additional rules for use being developed. Both reserves will provide the Legislature more discretion over the use of reserves than they have over the Rainy Day Fund.

Health and Human Services

SSI CASH OUT

The Legislative budget includes agreement to fund the SSI (Supplemental Security Income) Cash Out initiative which would reverse California's current law that prohibits SSI and/or SSP (State Supplementary Payment) recipients from receiving CalFresh benefits. The Legislature has approved \$200 million in GF to support the reversal of this policy. As this is a big policy change, it will contain several components which will be implemented no later than August 1, 2019.

The SSI Cash Out applies to three groups of individuals and/or households. The first is SSI/SSP beneficiaries who are new CalFresh applicants who will no longer be precluded from CalFresh eligibility, as well as current CalFresh households who have an SSI/SSP member(s) who will be added to the case. The second and third groups provide a "hold harmless" benefit for current CalFresh households who have an excluded SSI/SSP member and as a result of this policy will experience a reduction in or complete ineligibility to their CalFresh grants. The legislature has agreed to hold these households harmless by supplementing their benefits via a new state-only program.

Both funding for County Administration and SAWS automation have also been included in the budget, \$23.1 million (\$9.5 million GF) and \$25.4 million (\$20.9 million GF), respectively, for the budget year. The Legislature intends on funding these hold harmless provisions until these households phase-out which is reflected in trailer bill language; however, to continue the hold harmless once the initial \$200 million is exhausted the Legislature will have to appropriate additional funding to fulfill its intent. Counties will continue to receive administrative funding for hold harmless provisions so long as this policy continues to be funded.

MEDI-CAL AND HEALTH CARE SERVICES

County Administration Funding

The Legislature adopted the Governor's proposal to increase county administration funding in 2018-19 based on an adjustment to the current funding level using the increase in the California Consumer Price Index (CPI), with similar increases to follow over the coming years. The CPI for 2018-19 is 2.8 percent resulting in an increase of \$54.8 million total funds.

The Legislative budget does not include language to end the practice of redistributing funding among counties that underspend and overspend their allocations at close-out.

STATE BUDGET UPDATE #3 | BUDGET CONFERENCE COMMITTEE OUTCOMES

CWDA negotiated an agreement with the Administration to improve the upfront distribution of Medi-Cal Administration funding in the coming fiscal years to better align county expenditures and allocations.

Medi-Cal Program Expansions

The Assembly and Senate adopted several proposals in their respective budgets to expand the Medi-Cal program. None of those proposals were eventually adopted by the Legislature as part of their budget package. The proposals that did not make the final budget cut include, but are not limited to, the following:

- Increasing Medi-Cal eligibility up to 138% of the federal poverty level for aged, blind and disabled individuals.
- Expanding full-scope eligibility to young adults ages 19-25 or seniors ages 65 and over regardless of immigration status.
- Implementing an express lane initiative from the Women Infants and Children (WIC) program to Medi-Cal.
- Expanding Transitional Medi-Cal to a 12-month period.

CALWORKS

Single Allocation

The Legislature provided an additional \$23.5 million in one-time funding to restore the cut to employment services that the Administration proposed in the May Revision, per the CWDA request. As part of the May Revision, the Administration included an increase of \$55.8 million in 2018-19 to reflect the adoption of a revised budgeting methodology for county administration of the CalWORKs eligibility determination process, but that was offset by reductions to employment services and child care based on continued caseload declines. The additional one-time funding brings the 2018-19 Single Allocation back up to the 2017-18 amount and stabilizes funding for another year pending development of a new budgeting methodology for the Employment Services component that is expected to go into effect for the 2019-20 fiscal year.

No Child in Deep Poverty - CalWORKs Grant Increase

The Legislative budget includes \$90 million GF beginning April 1, 2019 and \$360 million ongoing to provide a 10 percent increase to CalWORKs grants. This is intended to be the first of three increases that occur over the next three fiscal years to get children and families in

STATE BUDGET UPDATE #3 | BUDGET CONFERENCE COMMITTEE OUTCOMES

the CalWORKs program to 50 percent of the Federal Poverty Level, although subsequent increases would not take effect until they are fully funded in future budget years. Counties will have their statutory 2.5 percent share of costs of the first 10 percent; however, the county share of cost in future incremental grant adjustments is capped – the county share will be limited to only 2.5 percent of the cost of an increase based on the CNI or the enacted incremental increase, whichever is lower.

Home Visiting Initiative

The Legislature approved \$26.9 million (an increase over the January Budget of \$300,000) to establish a voluntary Home Visiting pilot program. The forthcoming trailer bill language will include provisions which offer the service to first-time parents and caregivers, and then allow for the extension of the service to additional families with young children. The program is intended to help young families reach self-sufficiency by improving family engagement practices; supporting healthy development of young children living in poverty; and preparing parents for employment. The pilot will leverage existing, evidence-based program models currently being implemented across the state.

The goal of this home visitation program is to help parents navigate and connect to resources in the CalWORKs program and other available services, and report case progress and outcomes to the county. CDSS will work with counties to establish the outcome measures of the pilot, so the initiative can be evaluated for effectiveness. This proposal will be implemented in the first three years utilizing a set aside of \$131.6 million in TANF funding to a Home Visiting Initiative Reserve.

Cost of Living Adjustment (COLA)

The Legislature acted to codify a COLA to CalWORKs grants beginning 2022-23. The implementation of COLAs in future years is subject to funding in the Annual Budget.

Housing Assistance Program (HAP)

The Legislature adopted the May Revision proposal to increase the daily payment rate for temporary assistance for families who are homeless or face imminent eviction. For a family of four, the rate will increase from \$65 to \$85 beginning January 1, 2019. This daily rate was last increased more than ten years ago. This proposal includes \$8.1 million in 2018-19, increasing to \$15.3 million in 2019-20.

Housing Support Program (HSP)

The Legislature approved the additional funding for the HSP program provided in the May

STATE BUDGET UPDATE #3 | BUDGET CONFERENCE COMMITTEE OUTCOMES

Revision. This includes an increase of \$24.2 million in 2018-19 and an additional augmentation in 2019-20. The total program funding for HSP will increase from \$47 million to \$95 million annually.

Welfare to Work Study Time

The Legislature approved language which would clarify that all students can count their study time hours towards their work requirement.

California Community Colleges

The Legislative budget includes \$100 million one-time Proposition 98 and \$20 million ongoing Proposition 98 to create a new online community college. This new college would develop courses and programs that lead to short-term credentials and certifications with labor market value and are not duplicative of programs offered at existing colleges. CWDA previously provided technical assistance to the Administration regarding the ancillary costs for CalWORKs participants to take courses on-line as part of their Welfare-to-Work plans. Through this work, the Administration has ensured that those costs are built into the proposal to ensure access for CalWORKs participants to this new resource.

Recent Legislation

The Legislature adopted funding as proposed by the Governor for the following recently-enacted legislation:

AB 480 Diaper Assistance: Under AB 480 (Chapter 690, Statutes of 2017) a CalWORKs recipient who is participating in a WTW plan is eligible for \$30.00 per month to assist with diaper costs for each child who is under 36 months of age. The May Revision reflects a lower caseload than previously projected and decreases service costs for FY 2017-18 and 2018-19. This results in a decrease of \$3.2 million from the Governor's budget for administration of the diaper supplement. The Conference Committee also acted to provide \$10 million GF one-time to create Diaper Banks at local Food Banks.

SB 380 Child Support: SB 380 (Chapter 729, Statutes of 2017) allows a parent or caretaker, at their option, to exclude a step-sibling or half-sibling of an eligible child from an aided Assistant Unit's cash grant calculation. This policy changes also prohibits the child support payment from being counted as income for the purposes of the CalWORKs grant calculation. The May Revision reflects a decrease of \$3.7 million in assistance payments, with an increase of \$544,000 for the administrative costs of this policy change.

STATE BUDGET UPDATE #3 | BUDGET CONFERENCE COMMITTEE OUTCOMES

AB 557 Domestic Abuse Homeless Assistance: AB 557 (Chapter 691, Statutes of 2010) allows a CalWORKs applicant who provides a sworn statement of past or present domestic abuse and who is fleeing his or her abuser to be deemed homeless, and thus eligible for temporary homeless assistance, for a limited period of time. Total funding included in the 2018-19 budget to implement this bill is \$1.8 million, including \$90,000 to cover administrative costs, an increase of \$25,000 over the January proposal.

CHILD CARE

Cost-of-Living Adjustment

The Legislature adopted the increase of \$2.2 million Proposition 98 GF and \$1.8 million non-Proposition 98 GF provided in the May Revision to reflect a change in the cost-of-living factor from 2.51 percent at the Governor's Budget to 2.71 percent at the May Revision.

Inclusive Early Education Expansion Program

The Governor's January budget proposed an Inclusive Early Education Expansion Program, which anticipated a transfer of \$42.2 million TANF funds. Those one-time federal dollars are no longer available, so the May Revision includes total funding of \$167.2 million one-time Proposition 98 GF through a competitive grant program to increase the availability of inclusive early education and care for children aged 0 to 5 years old, especially in low-income areas and in areas with relatively low access to care. Grant recipients will commit that all children benefiting from grant funds, especially those with disabilities, have access to appropriate settings that support their educational and developmental growth. The Legislature adopted this proposal in their budget

Stage 1 Child Care

The Legislature adopted the May Revision proposed funding for Stage 1 Child Care at \$326.8 million, a reduction of \$36.8 million from the 2017-18 appropriation, but an increase of \$675,000 above the January proposal. Specifically, the budget provides \$5.2 million non-Proposition 98 GF to reflect slight increases in the number of CalWORKs child care cases and slight decreases in the estimated cost of care. As noted previously, the overall Single Allocation is funded at the 2016-17 level.

Stage 2 and 3 Child Care

The Legislature adopted the May Revision proposed increase of \$104 million non-Proposition 98 GF in 2018-19 to reflect increases in the number of CalWORKs child care cases and cost of care. Total costs for Stage 2 and 3 are \$559.1 million and \$398 million, respectively.

STATE BUDGET UPDATE #3 | BUDGET CONFERENCE COMMITTEE OUTCOMES

Alternative Payment Program Slots

The Legislature provided \$64.4 million GF and \$59.2 million Proposition 98 funding to reflect rate increases and 2,959 new full day preschool slots agreed to in 2016. It also creates 13,407 new Alternative Payment slots, of which 11,307 are available until June 30, 2022. These slots are funded with \$19 million ongoing General Fund (\$15.8 million in 2018-19) and a total of \$409.2 million limited-term Federal Funds.

Adjustment Factors for Infants, Toddlers, and Special Needs Children

The Legislature increased adjustment factors for infants, toddlers, and special needs children by providing \$40.2 million for these increased rate increments. An additional \$135,000 federal CCDBG will also be provided to the California Department of Education state operations for workload for additional child care slots. The Legislative budget also includes \$10 million for County Pilot for inclusive care, \$5 million for Licensed Child Care Teacher Professional Development, \$5 million for the California Child Care Initiative, and \$6 million for other one-time quality activities.

CHILD WELFARE / FOSTER CARE / ADOPTION ASSISTANCE**Payment at the Time of Placement**

The Legislature adopted a long-term deal to continue to provide caregivers with payment from the time of placement pending their completion of the Resource Family Approval (RFA) process.

Beginning on July 1, 2018, counties will be responsible for paying the 30 percent non-federal share of the TANF-EA payment for all new placements with a relative, NREFM or for compelling reason. For families not otherwise eligible for TANF-EA, the statute requires the State to pay the 70 percent share with GF with the counties picking up the remaining 30 percent share. In 2018-19, this funding would be available to a family for up to six months, with extensions up to 12 months based on counties meeting the following conditions:

- The county agency has determined and documented, on a monthly basis, a good cause for the delay that is outside of the control of the applicant or in the best interests of the family.
- The deputy director, director or designee of the county child welfare agency has been notified of the delay of the application and that notification has been documented in the RFA file.
- On a monthly basis, the county provides CDSS with a list of the RFA applications

STATE BUDGET UPDATE #3 | BUDGET CONFERENCE COMMITTEE OUTCOMES

pending over 90 days and the reason for the delay.

Beginning July 1, 2019, new placements would be eligible for payment at the above sharing ratios for the first 90 days. Funding after 90 days becomes county-optional. There is no automatic mechanism to extend payments beyond those 90 days, but the statute directs CDSS to consider extending payments beyond 90 days if it determines that the RFA process cannot be completed within 90 days due to circumstances beyond the county's control.

For cases which began receipt of TANF-EA or ARC payments during the current fiscal year under AB 110, those cases could continue to receive either ARC or TANF-EA after June 30, 2018, and for TANF-EA cases, payments may continue pursuant to meeting the requirements as outlined in the bullets above.

The trailer bill also contains fiscal protections for counties:

- Holds counties harmless to federal disallowances or penalties.
- For 2018-19 and 2019-20, requires CDSS to make a county-by-county determination of whether the timeframe for RFA approval resulted in net assistance costs or savings and requires a consideration of the impact to the receipt of Title IVE-E funding .
- Requires CDSS to work with CSAC to jointly determine the timeframe for subsequent reviews of county costs and savings.

Continuum of Care Reform

The budget adopted by the Legislature includes the following:

Group Home Extensions: Pursuant to agreement with CDSS, the budget adopted by the Legislature includes trailer bill language authorizing CDSS to grant additional extensions to group homes beyond December 31, 2018, upon the county submitting a written request and providing certain documentation. If granted, the extensions must be provided in six-month increments, not to exceed a total of 12 months. County agencies, in partnership with the county mental health plan, would be required to submit a plan, by August 15, 2018, which includes the following:

- Description of the agency's plan to transition all foster youth residing in group homes into a home-based placement, or to an STRTP if determined appropriate by the Interagency Placement Committee.
- Addressing the need, availability and capacity of STRTPs and other therapeutic placement options for youth under the jurisdiction of the county

STATE BUDGET UPDATE #3 | BUDGET CONFERENCE COMMITTEE OUTCOMES

and document prior and ongoing efforts taken to solicit or develop needed STRTP capacity.

- Develop and document child-specific transition plans that include a description of intensive family finding and engagement efforts, and child and family team-driven case plans that identify and respond to barriers to home-based care.
- Documentation of trauma-informed and permanency-competent specialty mental health services to be provided.
- Documentation of efforts to expand or establish intensive services foster care, therapeutic foster care, and other home-based services, in conjunction with the county behavioral health department.
- Identify barriers to achieving the above activities, and additional solutions to resolve the barriers not otherwise addressed.

Group home providers subject to the extension requests would also be required to document their efforts to convert to an STRTP or other facility type.

True Up of CCR Cost and Savings: The Legislature adopted trailer bill language negotiated between CWDA, CSAC, and the Administration to codify the requirement that a methodology for reconciling administration and assistance costs and savings on a county-by-county basis be developed and implemented on an annual basis. The language requires the Department of Finance to work with CDSS, CWDA, the County Probation Officers of California (CPOC), and CSAC to develop the methodology. The first annual application of the methodology is to occur in 2018-19 and include costs and savings incurred on a county-by-county basis from 2016-17 forward.

Specialized Care Rates: Beginning July 1, 2018, the budget assumes counties will reduce their Specialized Care Increment (SCI) costs consistent with the incremental home-based family care rate increase over the age-based rate structure and uses this amount to offset the State GF investment. The budget adopted by the Legislature adopted the savings estimate made by the Administration in the May Revision. However, CDSS acknowledges that their current methodology for estimating SCI savings overstates those savings and has committed to working with CWDA to improve the estimate going forward.

Resource Family Approval (RFA): The Legislature provided an additional \$6.3 million one-time GF above the amount provided in the May Revision for helping counties to address the backlog of RFA approvals. This brings total funding to \$9.5 million one-

STATE BUDGET UPDATE #3 | BUDGET CONFERENCE COMMITTEE OUTCOMES

time GF, the amount requested by CWDA.

Level of Care (LOC) Assessment: The Legislature provided an additional \$4.8 million GF above the amount provided in the May Revision for counties to implement the tool necessary to determine the rate level for resource families. The brings total funding to \$7.3 million GF, the amount requested by CWDA.

Foster Parent Recruitment, Retention and Support (FPPRS): The Legislature did not approve full funding and the continuation of FPPRS. As a result, counties will see a 50 percent reduction in FPPRS funding in 2018-19, from \$43.3 million GF to \$21.6 million GF, of which \$13.8 million GF will be available to child welfare and \$7.8 million will be available for Probation agencies. The budget authorizes roll over of 2017-18 funding into 2018-19.

Child and Adolescent Needs and Strengths (CANS) Tool: The Legislature did not include any funding for implementation of the CANS assessments in 2018-19. The Legislature did adopt SRL requiring CDSS to work with CWDA and CSAC to estimate any net new one-time and ongoing workload and costs to county child welfare services agencies to implement the CANS assessment and to report the results of the analysis by October 1, 2018 to the Department of Finance and the legislative budget committees to advise development of the 2019-20 budget. This will allow counties and CDSS to analyze and determine the net workload beyond the current assessment requirements under Division 31.

Family Urgent Response System (FURS): The Legislature did not include any funding to establish FURS as part of the budget. CWDA, CHBDA and ChildrenNow requested \$15 million GF in 2018-19, and \$30 million GF in 2019-20 and ongoing, to establish a statewide, 24/7 hotline and mobile response team for caregivers and foster youth in each county. Although no funding for FURS has been provided as part of the 2019-20 final budget, the legislation to establish FURS (AB 2043) sponsored by our coalition is still moving through the legislative process with unanimous support.

Approved Relative Caregiver (ARC) Program

The Legislature adopted the May Revision proposed funding increase for the ARC program as a result of caseload growth, more cases receiving the infant supplement, and increases costs per case due to application of the CNI. As a result, the Budget provides \$23.3 million GF in 2017-18, and \$31.2 million GF in 2018-19 for the program.

STATE BUDGET UPDATE #3 | BUDGET CONFERENCE COMMITTEE OUTCOMES

Emergency Child Care Bridge Program

The Legislature adopted full-year funding as included in the May Revision beginning July 1, 2018 of \$31 million for counties that opt into this program and authorized CDSS to appropriate unspent 2017-18 funding to counties in 2018-19.

Commercially Sexually Exploited Children (CSEC) Program

The Legislature adopted continued funding as proposed by the Governor of \$19 million for counties that opt into this program and authorized CDSS to appropriate unspent 2017-18 funding to counties in 2018-19.

Children's Mental Health

The Legislature adopted the following related to children's mental health:

AB 3632 Mandate Repayment: The Legislature adopted the May Revision proposal to provide a one-time repayment of \$254 million plus interest to reimburse the costs incurred by county mental health plans to serve seriously emotionally disturbed children as previously mandated under AB 3632. These costs were incurred between 2004 and 2011.

CANS Implementation under DHCS: The Legislature's proposed budget bill language that would have delayed the statewide roll out of the CANS for children served under EPSDT programs did not pass. Therefore, CANS will continue to be implemented through a phase-in process pursuant to instructions previously issued by DHCS.

Federal Audit Repayment: The Legislature adopted the State's proposal to pay the federal penalty resulting from a recent federal audit finding in full in 2018-19 and require counties to repay these funds over the next four years. The federal audit finding resulted in an approximately \$180.7 million federal penalty.

Grant Program for Older Youth in Shelters and Group Homes

The Legislature adopted \$4 million one-time GF to establish a county opt-in grant program administered by CDSS, with the goal of reducing law enforcement involvement and delinquency petitions for foster youth placed in group homes and shelters. Funding would be directed to counties with high incidents of calls to law enforcement and cross-over youth, and could be administered by CWS, county mental health or public health agencies, or local community-based organizations. A portion of the funds would also be directed towards training of group home, STRTP, shelter staff and law enforcement.

STATE BUDGET UPDATE #3 | BUDGET CONFERENCE COMMITTEE OUTCOMES

Youth Reinvestment Fund Grant Program

The Legislature adopted \$37.3 million GF which includes \$26.3 million for youth diversion program grants issued by the Board of State and Community Corrections. These grants would target youth with minor offenses to provide trauma-informed services including education programs and mental health services. Also includes \$10 million for social workers to assist youth within Public Defenders' offices and \$1 million for trauma-informed services to Native American youth.

Student Aid Commission - College Aid for Foster Youth

The Legislature adopted \$5.2 million on-going GF to expand Cal Grant eligibility for former foster youth, to allow youth up to age 26 to be eligible for the entitlement program, and to enable those youth to receive grants for up to 8 years.

Next Up for Foster Youth - Community Colleges

The Legislature increased funding by \$5 million for the Next Up Program for Foster youth, which provides support services for current and former foster youth in the community colleges. The program - also known as the Cooperating Agencies Foster Youth Educational Support Program - initially received \$15 million in 2015-16 and was authorized to operate in up to 10 community college districts. Legislation passed last year authorizes expansion to 20 districts.

Older Youth Entry into Care

The Legislature adopted SRL requiring the LAO, working with CDSS, to collect data on the incidence of child abuse and neglect reports and petitions filed for youth aged 14-17, due to the Legislature by March 15, 2019. The focus of the SRL is to determine the extent to which homeless youth enter the foster care system.

EARNED INCOME TAX CREDIT (EITC)

The Conference Committee acted to expand the state EITC to certain taxpayers who were previously ineligible due to their age and adjusts the credit to compensate for a rising minimum wage. Specifically, this proposal would extend the state EITC to young adults age 18-24 and seniors over the age of 65 and increases the income eligibility limit to align with the new minimum wage of \$12 an hour. This proposal also includes \$10 million for outreach and tax preparation services.

CALFRESH

EBT Pilot

The Legislature acted to create the California Fruit and Vegetable EBT Pilot project, which aims to make fresh California-grown fruits and vegetables more affordable for low-income families. This pilot program would allow CalFresh recipients to receive a dollar for dollar matching supplemental benefit (within a maximum allowable benefit to be set by CDSS) when recipients purchase California-grown fresh fruits and vegetables. It also provides for real-world testing of the mechanism by requiring CDSS to fund pilot programs that will implement and test the mechanism at authorized CalFresh retailers that chose to participate in a pilot. This pilot will be managed by stores and local farmers' markets directly through the EBT system, thus no additional county administration is expected to implement this pilot program.

IN-HOME SUPPORTIVE SERVICES (IHSS)

County IHSS Maintenance of Effort (MOE)

The Legislature adopted the revised May Revision assumptions of IHSS services costs. As a result, the final 2017-18 County IHSS MOE will decrease by about \$15 million.

County Administration

The Legislature provided an additional \$15.4 million one-time GF above the amount proposed in the May Revision. This action brings the 2018-19 IHSS Administration allocation about \$38 million GF more than was provided in 2017-18 and restores total nonfederal funding for IHSS Administration to an amount slightly higher than our 2016-17 expenditure levels. While this funding was provided by the Legislature on a one-time basis for 2018-19, CWDA will continue to work with the Administration to improve the budgeting methodology for ongoing funding.

Public Authority (PA) Administration

The Legislature approved the additional \$1.5 million GF provided in the May Revision for Public Authority administration.

Case Management, Automation, and Payrolling System (CMIPS) Governance

The Legislature did not adopt CWDA's request for \$2.5 million GF (\$5 million total) to address county CMIPS priorities and trailer bill language to codify the county's involvement in governing the system. Instead, the Legislature approved Supplemental Report Language (SRL) requiring CDSS to report to the Legislature and stakeholders on the steps they have

STATE BUDGET UPDATE #3 | BUDGET CONFERENCE COMMITTEE OUTCOMES

taken to engage counties in CMIPS governance throughout the change management process, among other items, as part of the 2019-2020 budget process.

Paid Sick Leave Provider Back Up System

The Legislative budget includes trailer bill language requiring the Administration to convene a stakeholder workgroup to discuss how paid sick leave impacts IHSS service provision and outline possible solutions to ensure IHSS consumers receive services when their provider is sick.

In addition, the Legislature adopted SRL requiring CDSS to report state and county data on paid sick leave. This report will require the department to work with up to 10 counties and public authorities to collect data on requests made by IHSS recipients for a back-up provider, and whether the county was able to meet that request. The counties/public authorities will be chosen in consultation with CWDA and California Association of Public Authorities (CAPA).

Note that counties are not expected to have a back-up provider system in place – there is no state mandate to do so. The intent of the report (advocated for by IHSS provider unions and advocates) is to demonstrate whether paid sick leave increases the demand for a county back-up provider system and whether counties have sufficient resources to meet the demand.

Electronic Visit Verification

The Legislative budget includes budget bill language to implement Electronic Visit Verification (EVV) as required by federal law (P.L. 114-255). This language specifies reporting requirements for the Department of Finance should EVV implementation require additional expenditure authority. In addition, it specifies “general principles” for EVV implementation which include: minimizing risk to federal financial participation, collaborating with stakeholders, ensuring IHSS consumers’ *Olmstead* rights, and avoiding infringements upon IHSS consumer and provider privacy and flexibility. Per federal law, all states must be making a “good faith effort” to implement EVV by January 1, 2019. The CDSS has received federal guidance stating that “good faith effort” includes the steps the state is taking to establish a process for EVV implementation.

Waiver Personal Care Services (WPCS) Provider Parity

The Legislature provided \$3 million GF (\$6 million total funds) on an ongoing basis to expand the jurisdiction of IHSS public authorities to include providers of Waiver Personal Care Services (WPCS), who provide largely the same services as IHSS providers. The budget deal

STATE BUDGET UPDATE #3 | BUDGET CONFERENCE COMMITTEE OUTCOMES

includes trailer bill language establishing parity between WPCS and IHSS providers, including wage and benefit equity.

Provider Enrollment

The Legislative budget does not include any language or funding for additional provider enrollment activities. The Senate and Assembly and previously added \$2.7 million ongoing GF to support trailer bill language that would require counties or public authorities to mail all prospective providers an enrollment packet and to increase the number of trainings to accommodate all prospective providers within two weeks of expressing interest. Both the language and the funding were removed from the final budget deal.

ADULT PROTECTIVE SERVICES (APS)

Home Safe

The final budget deal includes \$15 million one-time GF for Home Safe, a CWDA-sponsored pilot program to prevent homelessness among victims of elder and dependent abuse and neglect served by Adult Protective Services. The Governor's May Revision included funding and trailer bill language to implement Home Safe. The Legislature approved the Governor's action with changes to the eligibility portion of the trailer bill language to include those at risk of homelessness, including those whose current living situation contributes to their experiences of abuse and neglect.

Long-Term Care Ombudsman

The Legislature included \$2.3 million GF on an ongoing basis and corresponding trailer bill language for the Long-Term Care Ombudsman program, which trains volunteers to investigate reports of abuse and neglect in community care facilities.

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

Cost-of-Living Adjustment (COLA)

The Legislature approved trailer bill language for state-funded COLAs made to the state portion of the SSI/SSP grant beginning in 2022-23. The COLAs will be subject to funding in the annual Budget Act.

HOUSING AND HOMELESSNESS

The Legislature approved a housing and homelessness package totaling more than \$700

STATE BUDGET UPDATE #3 | BUDGET CONFERENCE COMMITTEE OUTCOMES

million. Among other provisions, this package provides around \$500 million in one-time GF to Emergency Aid Block Grants that includes: \$250 million allocated to Continuums of Care (CoC) divided into nine groupings based on their 2017 Point-in-Time homeless count, \$150 million direct allocation to a city or city and county with a population over 330,000 (which potentially includes Los Angeles, San Francisco, San Diego, San Jose, Oakland, Long Beach, Sacramento, Fresno, Santa Ana, Anaheim, Bakersfield, and others), and \$100 million allocated based on each CoC's share of the homeless population. Additionally, this package includes \$1.2 million and trailer bill language to place the No Place Like Home program on the ballot for the November 2018 statewide general election, and includes language intended to provide continuity of education for the children of farmworkers and keeping families together in the same household. The compromise also proposes to allocate half of the first year SB 2 revenues, estimated to be \$62.5 million, to the California Emergency Solutions Grant program and \$62.5 million to the new Housing for a Healthy California program.

AUTOMATION

The key automation projects continue to be funded in the Legislative budget at the levels needed to proceed as expected and as proposed in the May Revision, as noted in Budget Update #2. However, there are some new automation related items that are part of the Legislative budget package as noted below.

CalSAWS Stakeholder Workgroup

The Legislative budget package establishes a stakeholder workgroup for CalACES and CalSAWS. The workgroup will include California Department of Social Services (CDSS), the Department of Health Care Services (DHCS), the Office of System Integration (OSI), the SAWS consortia, and counties, who will meet quarterly with advocates, clients, and other stakeholders beginning this summer. The focus of the stakeholder input will be on public facing aspects of the systems, including portals, mobile applications, notices, certain ancillary services, and inter-county transfers.

Improvements to File Clearance Process

The Legislature approved supplemental report language that requires DHCS, CDSS, and the California Health and Human Services Agency to update the Legislature on the status of opportunities to improve the efficiency and accuracy of the file clearance process in the Medi-Cal Eligibility Data System (MEDS) as part of the 2019 budget process. This is anticipated to occur in conjunction with the MEDS Modernization effort.

CDSS State Hub Roadmap

The Legislature approved supplemental report language that requires CDSS to brief the Legislature and stakeholders, beginning in July 2018, about the status of their efforts to address challenges with the existing verification processes for CalFresh and CalWORKs. This effort is particularly looking for opportunities to enhance the use and utility of electronic verifications and is expected to result in a roadmap outlining short, medium, and long-term recommendations for improvements.

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

For more information, visit:
cwda.org

[County Welfare Directors Association of California](#)

[Eileen Cubanski](#), Senior Fiscal & Policy Analyst

[email: ecubanski@cwda.org](mailto:ecubanski@cwda.org)