



CWDA

Advancing Human Services
for the Welfare of All Californians

State Budget Update #4 Budget Conference Committee Completes Work

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The Budget Conference Committee met last night to adopt a unified 2016-17 budget that reconciles the differences between the previous Senate and Assembly versions and reflects the overall budget agreement reached yesterday between Legislative Democratic leadership and the Governor. We expect that there will be full Senate and Assembly votes on the 2016-17 budget bill and associated budget trailer bills early next week, with the entire budget package being sent to the Governor for his signature by the June 15th deadline for the Legislature to pass a budget.

Overall Budget Picture

The original versions of the 2016-17 budget passed by each house of the Legislature contained significantly more ongoing spending than was proposed by the Governor in his version of the budget. In the end, the budget adopted by the Budget Conference Committee is much more in alignment with the Governor's spending principals. An additional \$2 billion beyond the constitutionally required amount is being placed into reserve into the Rainy Day Fund as originally proposed by the Governor. And there is less new spending in the final budget agreement and much of that new spending is now one-time instead of ongoing.

Health and Human Services

CWDA BUDGET PRIORITIES

CWDA's budget priorities in health and human services fared relatively well in the final budget agreement passed by the Budget Conference Committee compared to the Governor's original budget proposal in January.

STATE BUDGET UPDATE #4 | CONFERENCE COMMITTEE COMPLETES WORK**Repeal of the Maximum Family Grant (MFG) Rule**

The final budget agreement contains the full repeal of the MFG rule effective January 1, 2017. Funding to cover the increased grant costs resulting from the repeal will be paid from the Child Poverty and Supplemental Support Subaccount, with General Fund (GF) available to ensure the costs are fully funded until sufficient funding is available in the Subaccount to cover the full costs. In conjunction with the repeal of the MFG rule, a 1.43% grant increase is also being provided effective October 1, 2016, and also funded from the Child Poverty Subaccount.

Medi-Cal Administration Funding

The final budget agreement includes \$169.9 million total funds for workload associated with implementation of the Affordable Care Act. This funding will be provided in 2016-17 and again in 2017-18, with work to begin on a new budgeting methodology that would take effect no sooner than 2018-19. This funding was included in the original budget proposed by the Governor in January after months of work between CWDA and the Department of Health Care Services and the Department of Finance last fall.

CalWORKs Housing Support Program (HSP)

The final budget agreement includes an additional \$12 million GF for HSP, bringing total funding for the program to \$47 million GF. This augmentation will go a long way toward enabling current HSP counties to reach full capacity and to allow interested counties not currently participating to enter the program.

Continuum of Care Reform (CCR)

CWDA worked hard with California Department of Social Services (CDSS) staff since the release of the January budget to improve the funding provided to counties for CCR implementation and the final budget agreement includes over \$80 million GF beginning in 2016-17 for county administrative activities. The main components include:

- Child and Family Teams (CFTs) – CWDA and CDSS came close to full agreement on the workload associated with CFTs, although we continue to differ in our assumption of the length of time needed for CFTs for the majority of cases. Even though the final budget agreement does not contain the additional funding we estimated, the costs of the actual workload for CFTs, whatever that ends up being, will eventually be covered by the true-up process that we will be working with CDSS to define.
- Resource Family Approval (RFA) Implementation – CWDA and CDSS were able to come to full agreement on the workload associated with RFA implementation and the final budget agreement includes funding that reflects that workload.

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- Foster Parent Recruitment, Retention, and Support (FPRRS) - In working with CDSS, CWDA was able to secure an additional \$10 million GF for child welfare departments for FPRRS for 2016-17, bringing total GF for child welfare departments to \$27.7 million. We anticipate based on budget documents provided by CDSS that \$27.7 million GF will also be provided in 2017-18.
- Updated Cost of a Social Worker – The final budget agreement will fully fund the current cost of a social worker for the new workload associated with CCR. The current level of funding in the 2016-17 budget covers about half of these costs, with the remaining funding for 2016-17 to be provided in the budget to be released in January 2017. Future funding for social worker costs will continue to be updated annually based on actual county costs.

Adult Protective Services (APS) Training

The final budget agreement includes \$3 million GF on a one-time basis for 2016-17 to provide training to county APS workers. This is a significant and much-needed increase to the \$88,000 GF currently provided for APS training.

Bringing Families Home

The final budget agreement includes \$10 million GF on a one-time basis for 2016-17 for the Bringing Families Home program, which is a grant program to reduce homelessness among families that are part of the child welfare system.

Commercial Sexual Exploitation of Children (CSEC)

The final budget agreement includes an additional \$5 million GF on an ongoing basis to provide services to youth who are victims of commercial sexual exploitation, bringing total GF to \$19 million. The \$5 million is welcome, but is less than the \$19.7 million GF CWDA originally requested and will be insufficient to meet the service and training requirements and needs. CSEC funding remains a possible area of future budget advocacy for us.

Emergency Child Care Bridge Program for Foster Youth

The biggest disappointment among the CWDA priorities in the budget is the lack of funding in the final budget agreement for emergency bridge child care for foster youth. The Assembly version of the budget included \$11 million GF for 2016-17 and \$22 million beginning in 2017-18 and ongoing to provide time-limited child care support to foster families until they can access the general child care system. This funding would have provided critical support to counties struggling to recruit and retain foster families, and relatives in particular, for CCR implementation.

STATE BUDGET UPDATE #4 | CONFERENCE COMMITTEE COMPLETES WORK**OTHER BUDGET ACTIONS**

Attached is an [updated chart](#) that shows the actions of the Budget Conference Committee on all the health and human services issues that we have been tracking. The latest version of this [chart](#) can also be found on the CWDA website. We will continue to keep you updated as the 2016-17 budget progresses through the final stages of approval.

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

For more information, visit:
cwda.org

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