



# CWDA

Advancing Human Services  
for the Welfare of All Californians

## State Budget Update #4 Final 2024-25 Budget Agreement

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The Governor, Senate Pro Tem McGuire, and Assembly Speaker Rivas announced on Saturday, June 22, 2024 that they have reached a final agreement on the 2024-25 budget. The Legislature will be voting on the budget bills and budget trailer bills this week, which will go to the Governor for signature prior to the start of the new fiscal year on July 1.

The 2024-25 budget contains total General Fund (GF) spending of \$211.5 billion, including \$46.8 billion in “solutions” to address the budget shortfall for the 2024-25 fiscal year (FY) and over \$30 billion for FY 2025-26. The budget shortfall is driven primarily by 1) the projected surplus of the 2022 Budget Act overstating the actual level of the surplus and 2) the tax filing deadline for 2022 being delayed into November of 2023, which kept the state from sufficiently addressing the impacts of the overstated 2022 surplus. The solutions in the budget agreement for FY 2024-25 are as follows:

- \$6.0 billion total in spending from reserves from the Proposition 2 Budget Stabilization Account (the BSA or Rainy-Day Fund), the Basic Reserve (Special Fund for Economic Uncertainties, the Prop 98 Reserve (Public School System Stabilization Account) and the entire \$900 million from the Safety Net Reserve.
- \$16.0 billion total in program reductions. Many of the human services programs contain temporary reductions, rather than permanent and ongoing.
- \$13.6 billion total in new revenues. Specifically, the final budget agreement places a three-year suspension for businesses’ use of net operating loss deductions and limits business tax credits for tax years starting in 2024, but also includes a trigger to end the suspension if the Department of Finance determines that revenues are sufficient, along with being adopted as part of the Budget Act. Additionally, the final budget agreement contains several proposals to make tax changes and close tax loopholes.
- The remainder of the shortfall is closed by a mix of internal fund shifts, as well as funding delays and deferrals.

While the final budget agreement addresses the budget shortfall in FY 2024-25 and FY 2025-26, the state is projected to continue to have budget shortfalls in the out-years. Therefore, the Administration and the Legislature have agreed to pursue several measures

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to bolster the state budget resiliency and will work together in the coming weeks to:

- Place a constitutional amendment on a future state ballot to update the state's rainy day fund by expanding the maximum size of the fund from 10 percent to 20 percent of total GF revenues and exclude certain deposits into the fund from the state appropriation limit so that the budget is not constitutionally required to allocate funds and can instead deposit funds into budget reserves, if necessary.
- Create a new "Projected Surplus Temporary Holding Account". A portion of any projected surplus will be deposited into this account and will be held until a future year once it is determined that the projected surplus of revenues has materialized.

Given the significant GF revenue shortfall projected for FY 2024-25, health and human services programs fared well in the final budget agreement and will not experience significant cuts, compared to what was proposed by the Administration in the January Governor's Budget and even more so at the May Revision. The following are the health and human services highlights of the final budget.

## **MEDI-CAL AND HEALTH CARE SERVICES**

### **County Administration COLA Freeze**

The final budget agreement includes a freeze of the COLA for county Medi-Cal Administration through 2027-28 as part of their multi-year budget solutions. This was proposed by the Administration in the May Revision and included in the Legislature's the Legislature's two-way budget agreement.

### **Health Enrollment Navigators Reduction**

The Navigators Project provides funding to counties and community-based organizations (CBOs) to outreach to eligible individuals and help them apply for and obtain health coverage enrollment, among activities. The Project was slated to go through June 30, 2025, with the close-out period occurring July 1, 2025 through June 30, 2026. The final budget agreement includes a reduction of \$18 million GF for the Program in FY 2024-25. This was proposed by the Administration in the May Revision and included in the Legislature's two-way budget agreement.

### **Managed Care Organizations Tax (MCO) Health Investments**

The final budget agreement includes MCO rate enhancements totaling \$133 million in FY 2024-25, \$728 million in FY 2025-26, and \$1.2 billion in FY 2026-27 for new Medi-Cal provider rate increases. The final budget also expands the MCO tax to Medicare providers, generating

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an additional \$689 million in General Fund savings in the budget year, \$950 million in FY 2025-26, and \$1.3 billion in FY 2026-27. There is a stipulation that makes rate increases inoperable if a measure on the November 2024 ballot related to MCO taxes is approved. Overall, the extension of the MCO tax from April 2023 through 2026 reflects \$3.8 billion in General Fund savings.

**Continuous Medi-Cal Coverage Ages 0-4**

The final budget agreement contains funding to implement continuous Medi-Cal eligibility from ages zero up to and including age four, without the need for an annual redetermination, to children in Medi-Cal, as well as members of the County Children's Health Initiative Program and the Medi-Cal Access Infants Program. This is effective January 1, 2026; funding for the policy is derived from MCO tax revenues. Trailer bill language is included in the final budget and stipulates that the proposal will not be implemented unless:

- DHCS receives all necessary federal approvals.
- DHCS has determined that automation systems have been programmed to implement the change.
- The November 2024 ballot related to MCO taxes is not passed by voters.

**CALWORKS****Single Allocation**

The final budget agreement does not contain the Administration's previously proposed current and budget year cuts to the Single Allocation, leaving the baseline caseload adjustments as the only reductions. The final budget agreement maintains the Legislature's two-way budget agreement of rejecting the following Administration's proposals:

- Reduction of the Eligibility Administration augmentation of \$40.8 million in FY 2023-24 and annually ongoing.
- One-time reduction of \$272 million to the Employment Services component in FY 2024-25.

The final budget agreement holds the intensive case management hours to 8.75 hours (which was set to increase to 10 hours per previous budget agreements), resulting in a \$47 million savings beginning in FY 2024-25 (this is funding that was scheduled to be provided in 2024-25, but now will not be provided). Additionally, there is trailer bill language to maintain the intensive case management hours to 8.75 hours and makes the increase to 10 hours subject

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to an appropriation by the Legislature.

Overall, the cut to the Single Allocation is about a \$45 million reduction in the budget year (about 2.5 percent) compared to the 2023-24 Single Allocation, versus the \$355 million (about 21 percent) reduction proposed at the May Revision.

Lastly, the final budget agreement did not include any additional funding associated with the CalWORKs reassessment work in the May Revision. As part of the CalWORKs reassessment work, CDSS estimates that eligibility funding would increase by \$160.3 million if the worker cost is to be updated, and funding for applications would result in an additional \$48.8 million, totaling \$209.1 million.

**Increase to the CalWORKs Maximum Aid Payment (MAP)**

The final budget agreement approves the MAP increase of 0.3 percent for October 1, 2024, with trailer bill language to make technical adjustments to ensure proper display of CalWORKs grants compared to the federal poverty level.

**Expanded Subsidized Employment (ESE)**

The final budget agreement reduces funding in the ESE program by \$30 million in FY 2023-24 and \$37 million in FY 2024-25 to hold funding to the statewide spending level in FY 2022-23, with full funding restored in FY 2025-26. Additionally, the final budget contains trailer bill language requiring counties to update their ESE plans or amend an existing plan to specify how the county will 1) utilize ESE funds and 2) prioritize subsidized employment placements that offer opportunities for participants to obtain skills and experiences in their fields of interest. Counties are required to do this beginning January 1, 2025 or four months after CDSS issues guidance. Additionally, the trailer bill language requires CDSS to provide specified information for the prior fiscal year in their CalWORKs Annual Summary beginning April 1, 2025. This includes:

- The number of CalWORKs participants who participated in subsidized employment for at least three months, by county, and a complete list of participating employers, by county.
- The number of CalWORKs participants in the program who obtained unsubsidized employment in the quarter following the end of the subsidy, by county, based on wage data and supplemental records available to the Employment Development Department.

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- The average earnings of the CalWORKs ESE participants in the quarter prior to their participation in the program, as well as quarter following the end of the subsidy, to the extent the data is available, and is required to be broken down by county and by industry sector.

**Family Stabilization**

The final budget agreement includes full funding for the Family Stabilization Program annually ongoing. Previously, the May Revision proposed to eliminate the program beginning in FY 2024-25; the Legislature's two-way budget agreement rejected the proposal.

**CalWORKs Home Visiting Program**

The final budget agreement reduces funding by \$30 million in FY 2023-24, and temporarily reduces funding by \$25 million in FY 2024-25 and FY 2025-26, with full funding restored in FY 2026-27, consistent with the Legislature's two-way budget agreement. The limited reductions align funds more closely to actual utilization in the program and avoid adverse impacts for parents and families served.

**Mental Health and Substance Abuse Services**

The final budget agreement reduces CalWORKs mental health and substance abuse services funding by \$30 million in FY 2023-24, \$37 million in FY 2024-25, and \$26 million in FY 2025-26, with full funding restored in FY 2026-27, consistent with the Legislature's two-way budget agreement. The limited-term reduction is intended to align funds more closely to actual utilization in the program and avoid adverse impacts for parents and families served.

**Family Reunification**

The 2022-23 Budget Act and Trailer Bill, AB 135, authorized families in family reunification to continue receiving their CalWORKs cash assistance for up to six months. Since this law has not yet been implemented, the May Revision shifted costs from FY 2023-24 to FY 2024-25, as the bill is not projected to be implemented until January 2025. The final budget agreement does not include the Administration's trailer bill language to delay implementation of the policy change.

**Fiscal Responsibility Act of 2023: TANF Pilot Program**

The final budget agreement includes budget bill language/provisional authority for spending up to \$2.4 million GF for California to participate in the federal pilot project, should the state be chosen. Additionally, the final budget includes trailer bill language requiring CDSS to

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consider policy changes to align to the pilot application and to engage with stakeholders, including CWDA in the application process. Additionally, CDSS is required to report back to the Legislature by January 10, 2025, with information on necessary statutory changes and comprehensive cost estimates to implement family centered changes as part of the pilot program, including limiting family sanctions, creating a family-centered program structure, and repealing the county Work Participation Rate (WPR) penalty for FY 2025-26 and annually ongoing.

**CHILD CARE AND EARLY EDUCATION****Child Care Slot Expansion Pause**

The final budget agreement includes a new timeline to expand the number of subsidized child care slots by over 200,000 in 2028 instead of the FY 2026-27 deadline in previous legislation, thereby enacting a two-year pause, and continues to fund 11,038 General Child Care (CCTR) slots for which award letters were issued in Spring 2024, consistent with the Legislature's two-way budget agreement.

**CHILD WELFARE / FOSTER CARE / ADOPTION ASSISTANCE****Proposed Permanent Rate Structure**

The final budget agreement includes \$20.5 million (\$13.3 million GF) for automation changes in CalSAWS and CWS-CARES to support the new Foster Care Permanent Rate Structure, which is now set for implementation on July 1, 2027, rather than the previously proposed July 1, 2026 implementation date. The final budget agreement also includes trailer bill language for the permanent rate structure. The trailer bill language does not include the trigger language that was proposed at the May Revision based on availability of the GF in spring 2026, contains a cost-of-living adjustment (COLA) for the administrative rate for certain providers, adds milestones toward implementation, including regular reporting to the Legislature, and changes to reflect stakeholder feedback. Unfortunately, the trailer bill language did not address CWDA's significant concerns, including requirements under the immediate need component and counties' role in the strength building component. CWDA staff will analyze the trailer bill language and will provide a summary in greater detail.

**Caregiver Approval**

The final budget agreement includes full restoration of the program (\$50 million GF); this was also included in the Legislature's two-way budget agreement. Previously, the May Revision proposed to eliminate all \$50 million GF which supports mandated activities associated with the Resource Family Approval (RFA) process, beginning July 1, 2024, and

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annually ongoing.

**Emergency Child Care Bridge (ECCB) Funding**

The final budget agreement does not include an ongoing reduction of \$34.8 million GF (equating to a 40 percent reduction of the overall funding), which was proposed in the May Revision, and was rejected in the Legislature's two-way budget agreement. The final budget agreement includes budget bill language to appropriate a total of \$47 million from FY 2023-24 into FY 2024-25, generating GF savings in FY 2024-25 only for this program. Total GF funding for Emergency Child Care Bridge remains at \$83.4 million ongoing, meaning there is no ongoing cut to the program.

**Family Urgent Response System (FURS)**

The final budget agreement includes full restoration of the FURS program (\$30 million GF), which was proposed to be eliminated in the May Revision effective FY 2024-25 and annually ongoing. The restoration was also included in the Legislature's two-way budget agreement.

**Housing for Foster Youth in Supervised Independent Living Placements (SILP)**

The final budget agreement reduces the SILP payment supplement by \$195,000, to \$258,000 in FY 2024-25 and a complete elimination of the SILP payment, totaling \$25.5 million (\$18.8 million GF) in FY 2025-26 and annually ongoing. As an alternative, the Administration proposed changes to the foster rates proposal that would provide additional funding directly to youth in SILPs in lieu of the housing supplement. This change was also included in the Legislature's two-way budget agreement.

**Public Health Nurse Los Angeles County Pilot Program**

The final budget agreement includes the reduction of \$8.25 million GF in FY 2024-25 and annually ongoing, resulting in elimination of the program, and reverts \$7.25 million of unspent funds from FY 2023-24 to the General Fund. These aspects were also included in the Legislature's two-way budget agreement.

**Family First Prevention Services Act (FFPSA)**

The final budget agreement contains trailer bill language extending the county expenditure deadline from June 30, 2024 to June 30, 2028, of the \$222.4 million GF in funding to implement Part 1 prevention services. It also contains budget bill language to reappropriate the funding due to extending the expenditure deadline.

**STATE BUDGET UPDATE #4 | FINAL 2024-25 BUDGET AGREEMENT****Federal Reporting and Communication Requirements with National Center for Missing and Exploited Children**

The final budget agreement contains trailer bill language updating state law to align with federal reporting and communication requirements on states, for county child welfare agencies and probation departments when reporting missing or abducted children or youth believed to be the victims of, or at risk of being the victims of, commercial sexual exploitation to law enforcement authorities for entry into the National Crime Information Center (NCIC) database and the National Center for Missing and Exploited Children (NCMEC). It requires county probation or welfare department to maintain regular communication with law enforcement agencies, including tribal law enforcement agencies in the case of an Indian child, and the NCMEC in efforts to provide a safe recovery of the missing or abducted child or youth, and authorizes the sharing of information from juvenile case files with the NCMEC.

**Resource Family Approval Program Alignment with Emergency Caregiving Funding Program**

The final budget agreement contains trailer bill language extending the Resource Family Approval (RFA) application processing timeframe from 90-days to 120-days, in alignment with the Emergency Caregiver funding timeframe.

**State and Federal Kinship Guardianship Assistance Payment Program Alignment**

The final budget agreement contains trailer bill language eliminating the \$10,000 cash savings and personal property asset limits for children and nonminor beneficiaries of the state- and federally funded Kinship Guardianship Assistance Payment (Kin-GAP) programs and clarifies that income and property received after the start date of aid shall be disregarded. The language also notes that these changes will not occur until automation changes to effectuate the policy are completed.

**Excellence in Family Finding, Engagement, and Support Program**

The final budget agreement contains trailer bill language allowing participating counties or tribes who do not have sufficient caseload, based on CDSS' determination, for a family-finding worker to be assigned full time to family- finding responsibilities, to submit written request to the department for authorization to use funding for a portion of a full-time position for family-finding activities. This is intended to alleviate challenges for small counties and tribes and removes a barrier preventing these counties and tribes from accessing one-time funding for the program.

**Specialized Care Increment Eligibility**



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The final budget agreement contains trailer bill language adding in tribes for the specialized care increment rate setting system, in addition to counties.

**Health Care Program for Children in Foster Care (HCPCFC)**

The final budget agreement includes \$23.8 million total funds (\$11.9 million GF) for FY 2024-25 to support the administrative and service costs of the HCPCFC due to the sunset of the Child Health and Disability Prevention Program (CHDP) on June 30, 2024, effective July 1, 2024. The final budget also includes budget bill language to allow flexible use of funds provided to counties for HCPCFC and CCS Oversight for FY 2024-25 only and to require county reporting on the use of those funds to DHCS by October 1, 2024. DHCS is required to report to the budget committees the number of counties who requested the flexible use of funds and a summary of those requests.

**Workforce Expansion**

The final budget agreement reduces funding for various healthcare workforce initiatives, including for mental health, nursing and social work initiatives administered by the Department of Health Care Access and Innovation (HCAI) by \$746 million over five years, including for mental health, nursing and social work initiatives administered by the Department of Health Care Access and Innovation (HCAI). The final budget does not include \$70.1 million General Fund and expenditure authority of \$51.9 million from the Mental Health Services Fund (MHSA) to FY 2025-26 for the social work initiative. Additionally, the final budget retains funding for the Song-Brown Primary Care Residency program, the Song-Brown Nursing program, the Health Professionals Career Opportunity Program, and the California Medicine Scholars Program, which was also included in the Legislature's two-way budget agreement.

**ADULT PROTECTIVE SERVICES (APS)****APS Expansion**

The final budget agreement includes full funding of \$70 million GF for the APS expansion program in FY 2024-25, restoring the \$39.3 million GF cut proposed in the May Revision that would have been effective in FY 2024-25 and annually ongoing. This was also included in the Legislature's two-way budget agreement.

**APS Training**

The final budget agreement includes \$9.4 million (\$4.6 million GF) for APS training in FY 2024-25. This was also included in the Legislature's two-way budget agreement. Previously,

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the May Revision proposed to eliminate funding for APS training in FY 2024-25 and annually ongoing, totaling \$9.4 million (\$4.6 million GF), and leaving a mere \$176,000 total funds (\$154,000 GF) to support curriculum development and training.

**IN-HOME SUPPORTIVE SERVICES****Full-Scope Expansions to Undocumented Adults**

The final budget agreement provides eligibility to IHSS services for all children and adults regardless of immigration status, in alignment with the full-scope Medi-Cal expansion to undocumented Californians. This was also included in the Legislature's two-way budget agreement. Previously, the May Revision proposed to maintain eligibility to the State-only Medi-Cal program for undocumented children and adults but proposes to eliminate eligibility to IHSS services for all children and adults in the expansion population aged 19 and above effective FY 2024-25.

**Permanent Back-up Provider System**

The final budget agreement does not eliminate all funding for the permanent back-up provider system, which was proposed by the Administration, but instead reduces funding by \$3 million in FY 2024-25 only to account for lower utilization. This was also included in the Legislature's two-way budget agreement.

**CWDA In-Home Supportive Services (IHSS) Program Budget Request**

CWDA requested \$51 million GF on a one-time basis and trailer bill language requiring the California Department of Social Services (CDSS) to work with CWDA, county human services agencies, and county worker representatives during the 2024-25 fiscal year to update the existing IHSS administration state budget methodology to take effect in the 2025-26 fiscal year. Due to the budget deficit, securing the \$51 million was impossible. While the final budget agreement did not include the requested \$51 million GF, it includes trailer bill language requiring CDSS to work with CWDA, county human services agencies, advocate representatives, legislative staff, and county worker representatives to review the IHSS county administrative funding budgeting methodology beginning with the 2025-26 fiscal year and every three fiscal years thereafter. CDSS is also required to provide information to the legislative budget committees regarding this review and the impact on county administrative costs.

**IHSS Career Pathways Program**

The final budget agreement includes supplemental report language requiring CDSS to

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provide monthly data, beginning August 1, 2024 and until the full utilization and expiration of Home and Community Based Services (HCBS) funds for the IHSS Career Pathways Program is complete, on the number of providers completing classes and claims for incentive payments.

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

The final budget agreement includes trailer bill language requiring CDSS to include a display in the January and May Local Assistance binders that show the current SSI/SSP grant levels for individuals against fair market rent for a studio apartment in all 58 counties. CDSS is also required to show the amount remaining after paying rent and to indicate the fair market rent as a percentage of the grant for each county.

**HOUSING AND HOMELESSNESS**

The final budget agreement contains investments and reversions to certain non-CDSS housing and homelessness-programs with a keen focus on expanding accountability measures. These program investments and reversions include:

- \$1 billion for the Homeless Housing, Assistance, and Prevention (HHAP) Round 6 funding.
- Reducing FY 2025-26 funding for Round 5 HHAP by \$260 million.
- \$150 million for FY 2024-25 and \$100 million for FY 2025-26 to fund additional Encampment Resolution Grants.
- Reducing set aside funding in both the Family Homelessness Challenge Program (\$100.7 million) and the Encampment Resolution Program (\$41.6 million).
- Reducing FY 2024-25 funding by \$132.5 million and FY 2025-26 funding by \$207.5 million for the Behavioral Health Bridge Housing program.
- Delaying General Fund expenditures for the Behavioral Health Continuum Infrastructure Program, using Proposition 1 funding instead in the budget year. The net result of this delay is \$326 million in the budget year and \$709.8 million in 2025-26.

**CDSS-Administered Housing Programs**

CDSS oversees four housing and homelessness programs administered by counties: the CalWORKs Housing Support Program (HSP), the Bringing Families Home Program, the Home

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Safe Program, and the Housing Disability Advocacy Program (HDAP).

- **Bringing Families Home (BFH)** – The final budget agreement delays FY 2022-23 funds of \$40 million into FY 2025-26 and another \$40 million into FY 2026-27. Previously, the May Revision proposed to revert funding of \$80 million GF from FY 2022-23 funds. Additionally, the final budget contains trailer bill language to extend local match exemption through June 30, 2027 for any remaining amount of funds for this purpose.
- **Home Safe** – The final budget agreement includes budget bill language to reappropriate up to \$92.5 million GF from FY 2022-23 funds to be available for spending by June 30, 2026, as well as trailer bill language to extend the match waiver for the funds through June 30, 2026.
- **Housing and Disability Advocacy Program (HDAP)** – The final budget agreement reverts funding of \$50 million GF from FY 2022-23 funds and includes budget bill language to reappropriate up to \$100 million of FY 2022-23 funds for spending by June 30, 2026, as well as trailer bill language permanently eliminating the HDAP county match requirement effective July 1, 2024. Note that HDAP has an annual appropriation of \$25 million.

**CALFRESH****California Food Assistance Program (CFAP) Expansion**

The final budget agreement includes a two-year delay in the CFAP expansion, to October 1, 2027. This is consistent with the Legislature’s approval in the two-way budget agreement of the delay proposed in the May Revision. Additionally, the final agreement adopts budget bill language requiring CDSS to provide a written update by January 1, 2025, regarding the use, purpose, and cost of completed and planned activities during FY 2024-25, as well as automation activities for future years in preparation for the new implementation date.

**California Food Assistance Program (CFAP) Overissuance Collection Retention Rate**

The final budget agreement includes trailer bill language requiring the state to retain a portion of any collected overissuance claims on CFAP benefits, with that portion being the same percentage as the state and the United States Department of Agriculture would have retained, combined, if the overissuance claims had been collected under the CalFresh program. Any remaining portion of the recovered overissuance claims would be distributed by CDSS to the counties based on the amount of the overissuance claims recovered by the counties. This policy change would go into effect upon implementation of the CFAP expansion and no automation changes are needed for this change.

**STATE BUDGET UPDATE #4 | FINAL 2024-25 BUDGET AGREEMENT****California Food Assistance Program (CFAP) Elimination of Comparable Disqualification**

The final budget agreement includes trailer bill language removing the rule that requires a comparable disqualification from CFAP for having a welfare to work (WTW) sanction to align with CalFresh policy. This change will go into effective August 1, 2024.

**Electronic Benefits Transfer (EBT) Theft**

The final budget agreement includes trailer bill language authorizing CDSS to establish a protocol to use state funds to replace stolen benefits, consistent with the current provisions for federal benefit replacement, when federal funds are not available for this purpose. The trailer bill language codifies that counties must replace stolen benefits as soon as administratively feasible, but no more than 10 business days following the replacement request, and states that counties shall prioritize the replacement of electronically stolen benefits. The agreement also adopts Supplemental Reporting Language requiring CDSS to provide updates on the transition to chip/tap EBT cards and how this will minimize theft risks. CWDA will work with CDSS over the fall to try to secure necessary funding for county CalFresh Administration to comply with this new mandate.

**Work Incentive Nutrition Supplement Program (WINS)**

The final budget agreement includes full funding for WINS, which was also included in the Legislature's two-way budget agreement. Previously, the May Revision proposed to reduce WINS funding by \$25 million in FY 2025-26, essentially eliminating the program.

**California Fruit and Vegetable EBT Pilot Project**

The final budget agreement includes an additional \$10 million GF to continue the California Fruit and Vegetable EBT Pilot Project. Previously, CDSS anticipated expending all funding in the current fiscal year, leaving no appropriation for FY 2024-25.

**CalFresh Minimum Nutrition Benefit Pilot**

The final budget agreement includes the \$915,000 in FY 2023-24 for automation and \$15 million for minimum benefits for FY 2024-25. This is consistent with the Legislature's two-way budget agreement. Previously, the May Revision proposed to eliminate this effort.

**CalFresh Safe Drinking Water Pilot**

The final budget agreement extends the duration of the CalFresh Safe Drinking Water pilot program in Kern County, to allow \$3 million remaining from the 2023 Budget Act to be spent,

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with no impact to the General Fund.

**AUTOMATION****Child Welfare Services – California Automated Response and Engagement System (CWS-CARES)**

The final budget agreement includes \$173.4 million (\$88.1 million General Fund) and an additional \$52 million (\$26 million General Fund) in one-time provisional authority, for the CWS-CARES Project. This is consistent with the Legislature’s approval in the two-way budget agreement of the funding proposed in the May Revision. Additionally, the final budget agreement adopts budget bill language making the provisional funding contingent on (a) completion of development, conversion, and testing activities without significant deviations from the most recently approved project cost, schedule, and scope, (b) incorporation of relevant user feedback to the extent possible without significant increases in cost, schedule, and scope, and (c) demonstrable progress toward end user adoption, as determined by the Department of Finance.

**CalSAWS Supplemental Report**

The final budget agreement requests a final CalSAWS supplemental report by January 1, 2025, including responses to the questions and issues raised by the CalSAWS Advocates Group in March 2024. This is a follow up to the Supplemental Report Language from 2023.

**County Expense Claim Reporting Information System (CECRIS)**

The final budget agreement approves the May Revision budget change proposal for the conversion of four limited term positions to permanent to continue supporting the maintenance and operations of CECRIS.

**Data Sharing to Quantify the Impacts of the Safety Net on the Whole Californian**

The final budget agreement includes trailer bill language about sharing of individually identifiable data from the Homeless Data Integration System information to measure housing instability and the effectiveness of and need for housing, homelessness, and antipoverty programs. The agreement incorporates Legislative modifications to require CDSS to develop a data matching and analysis methodology, and if data can be successfully matched, to provide annual data, including trends, for CDSS programs, including CalWORKs.

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The following are selected budget and trailer bills of interest:

- [AB 107](#) – Main Budget Bill (passed by Legislature in mid-June)
- [AB 108](#) – Budget Bill Jr. (amends main budget bill to reflect final budget agreement)
- [AB 109](#) - Budget Bill Jr. (amends the Budget Act of 2023 to reflect final budget agreement)
- [AB 159](#) – Health Trailer Bill
- [AB 160](#)– Managed Care Organization Provider Tax Trailer Bill
- [AB 161](#)– Human Services Trailer Bill
- [AB 166](#) – Housing and Homelessness Trailer Bill