



**CWDA**

Advancing Human Services  
for the Welfare of All Californians

# State Budget Update #5 Updated 2022-23 Budget Agreement Reached

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As part of its final actions of the 2021-2022 legislative session, which ended yesterday, the Legislature passed a revised budget bill ([AB 179](#)) and several additional budget trailer bills that complete unfinished work from the 2022-23 budget negotiations earlier this summer. In the health and human services area, most of the outstanding issues were on the statutory language necessary for implementation of several proposals already adopted as part of the 2022-23 budget package enacted in June. Following is the outcome of those outstanding issues, which are contained in the omnibus human services trailer bill, [AB 207](#).

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

The 2022-23 budget adopted in June included \$150 million General Fund on a one-time basis for use over five years for family finding, engagement, and support, but adoption of implementing trailer bill language was deferred until August to allow further time for negotiation between the Legislature and Administration on the final details. The updated budget agreement includes the final implementing language, which includes the following key components:

- Participation in the program is optional for counties and Indian tribes, and counties that choose to participate will be required to provide a local match, which could include funding or in-kind contribution of services, equal to one-half of the state funds allocated to the participating county. Five percent of the \$150 million will be carved out specifically for allocation to Indian tribes.
- Funds will be allocated to counties by March 1, 2023, with the allocation methodology to be developed in consultation with CWDA and the Chief Probation Offices of California (CPOC). These funds are required to supplement and not supplant funds for existing family finding and engagement programs.

**STATE BUDGET UPDATE #5 | UPDATED 2022-23 BUDGET AGREEMENT REACHED**

- Counties may administer the program directly or through contracts with nonprofit community-based organizations (CBOs). Counties or CBOs are further required to employ family finding workers assigned full time to family finding activities.
- The funds (and local match) are to be used for specialized permanency work and services to establish and maintain permanent connections for foster youth, which shall include any or all of the following: training of staff on family finding and engagement; staffing and tools to identify, locate, and engage persons related to the child and identification of other family-like relationships; outreach and engagement to identify and engage possible family and family-like connections; plan development and case management for the child, family, and family-like connections to identify and address barriers to establishing relationships; and implementation of model programs, strategies, or promising practices for family finding and engagement techniques..
- Data collection and reporting on information regarding training completion, strategies and models utilized, services provided, and potentially other data elements, to be specifically determined by CDSS in consultation with CWDA, CPOC, and Indian tribes.
- Reporting on certain outcome measures is specified in the statute, including: changes in percentages of children placed with relatives or nonrelative extended family members and in a family setting, placement stability, length of time to permanency, racial disproportionality of children who experience placement disruption, and percentages of children who have been in foster care for 24 months or more with relatives or nonrelative extend family members. Additional measures are to be specifically determined by CDSS in consultation with CWDA, CPOC, and Indian tribes.
- Establishment of the Center for Excellence in Family Finding, Engagement, and Support to provide training and technical assistance to counties, Indian tribes and foster care providers.

**CalWORKs Eligibility and CalFresh Administration Funding**

The budget originally adopted by the Legislature in June, prior to negotiations with the Governor on the final budget deal, included placeholder trailer bill language that would have required CDSS to work with CWDA and counties to determine the costs

**STATE BUDGET UPDATE #5 | UPDATED 2022-23 BUDGET AGREEMENT REACHED**

of providing inflationary cost adjustments to county administrative funding for CalWORKs eligibility and CalFresh Administration and to come up with a plan to ensure that funding keeps up with inflationary cost increases over time. The Administration objected to that language, so the issue was tabled for further discussion in August.

The updated budget agreement reflects compromise trailer bill language that requires CDSS to work with CWDA and representatives of county human services agencies to reconsider the costs of county operations for county administrative costs every three years, beginning with the 2024-25 fiscal year for CalWORKs eligibility and the 2027-28 fiscal year for CalFresh Administration.

**CalWORKs – Work Participation Rate (WPR) Penalty**

The budget originally adopted by the Legislature in June, prior to negotiations with the Governor on the final budget deal, included elimination of the pass through of any federal WPR penalties to counties. The Administration objected to complete elimination of the WPR penalty pass-through, so that issue was tabled for further discussion in August.

The updated budget agreement reflects compromise trailer bill language that requires CDSS to consult with the existing CalWORKs Outcome and Accountability Review (CalOAR) implementation workgroup to develop recommendations to address the existing emphasis on the federal WPR and penalty pass-on structure, while optimizing the implementation of the first cycle of the CalOAR process. This report of recommendations is to be submitted to the Legislature by April 15, 2023.

**Child Support Pass Through for Currently Aided Families**

The Governor's Budget released in January proposed statutory changes that would fully pass-through assigned arrears collections to families formerly assisted by CalWORKs, effective January 1, 2023, or whenever necessary automation for implementation is completed, whichever is later. The final budget agreement enacted in July approved this change, but there were technical issues with the proposed trailer bill language that remained unresolved. In addition, the Legislature took action to pass through child support payments to current CalWORKs families, effective January 1, 2024, or when necessary automation for implementation is completed, whichever is later, but this was not included in the final budget

**STATE BUDGET UPDATE #5 | UPDATED 2022-23 BUDGET AGREEMENT REACHED**

agreement enacted in June.

The updated budget agreement includes the full pass through of child support for *formerly* aided CalWORKs families, effective July 1, 2023, or when necessary automation is complete, with an evaluation of any unintended impacts of the pass-through on families' eligibility and benefit levels for CalWORKs and other assistance programs. There are a number of outstanding implementation questions that we will need to address with the CDSS and the SAWS. The updated budget agreement also contains intent language to extend this to *currently* aided families as of January 1, 2025.

**Community Assistance, Recovery and Empowerment (CARE) Court**

The 2022-23 budget adopted in June set aside the \$64.7 million GF across various state departments and the judicial branch for implementation of the CARE Court proposal, pending agreement on statutory changes regarding the proposal. Negotiations continued over July and August, resulting in the agreement on the programmatic details contained in [SB 1338](#) and approval of an additional \$57 million GF for start-up costs.

As noted by CSAC in their CARE Court update, counties sought and secured significant improvements in the proposal including the following:

- **Phased-in implementation:** A first cohort of seven counties (*Glenn, Orange, Riverside, San Diego, Stanislaus, Tuolumne and the City and County of San Francisco*) are to implement by October 1, 2023, with the remaining counties slated to implement by December 1, 2024.
- **Start-Up Funding:** The updated budget agreement now includes \$57 million in new state funding to address start-up costs. This includes \$26 million for the initial cohort of counties and \$31 million for all counties to plan and prepare for implementation.
- **Ongoing Funding:** A statutory commitment that the CARE Act will become operative only upon consultation with county stakeholders and developing a CARE Act allocation to provide state financial assistance to counties to implement the CARE Court process. It is anticipated this process will be developed this fall for inclusion in next year's budget.
- **Structure:** Many policy amendments suggested by counties, including:

**STATE BUDGET UPDATE #5 | UPDATED 2022-23 BUDGET AGREEMENT REACHED**

- lengthening the time for county behavioral health agencies to submit evaluations;
- providing indemnity to counties for the actions of CARE Court respondents;
- engaging the presiding judge of a superior court on possible sanctions;
- ensuring that any fines paid as a result of sanctions are invested back into the sanctioned county for improvement of services, and
- requiring health care services plans to reimburse counties for member evaluation costs.

The final version of SB 1338 is greatly improved compared to the CARE Court proposal as originally introduced in early March, although we expect that further clean-up may be needed. The inclusion of additional funding for start-up and acknowledgement that ongoing funding will be needed for successful and sustained implementation represent significant progress. However, there is more work to do to quantify and secure additional state funding. CWDA will continue to work with CSAC and other county organizations on implementation.

Overall, the 2022-23 budget has seen significant investments in county-administered health and human services programs, and we will now work with the Administration on implementing instructions and allocation methodologies as needed on the newly created program components and added funding.

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

For more information, visit:  
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