



May 16, 2021

To: The Honorable Susan Talamantes Eggman
Chair, Senate Budget Subcommittee No. 3

Honorable Members
Senate Budget Subcommittee No. 3

The Honorable Dr. Joaquin Arambula
Chair, Assembly Budget Subcommittee No. 1

Honorable Members
Assembly Budget Subcommittee No. 1

From: Cathy Senderling-McDonald, Executive Director

**RE: INVESTMENT OPPORTUNITIES AND FUNDING NEEDS
IN HEALTH AND HUMAN SERVICES PROGRAMS –
CWDA MAY REVISION MEMO #1**

Many thanks to all of you, as well as your staff, for working with our organization to enable the incorporation of our multiple budget proposals, as well as our feedback on proposals put forth by the Administration, individual legislators, and advocate organizations over the past few months.

As we move toward the “home stretch” of negotiations for the 2021-22 budget package, we put forward for your consideration in this memo the most current status of our proposals that have previously been heard, as well as a few new additions based on recent events or concerns raised by county human services agencies. Please note we have grouped these by program area, not in order of priority to CWDA.

Thank you in advance for your consideration of these items for inclusion in the budget. As always, we stand ready to answer questions and provide additional details as needed.

Align CalWORKs Income Standards for Recipients and Applicants – \$1.5 Million GF/TANF in 2021-22; \$178 Million GF/TANF Ongoing

CWDA requests \$1.5 million in 2021-22, \$150 million in 2022-23, and \$178 million in 2023-24

and ongoing to increase the Applicant Earned Income Disregard (EID) from \$90 to \$600 effective June 2022, commensurate with changes approved to the Recipient EID in the 2019-20 Budget Act. At the beginning of the COVID-19 pandemic, redeterminations of eligibility for the CalWORKs program were suspended; when they resumed in late 2020, thousands of families were removed from the program because they failed to complete paperwork requirements. However, even though these families would not have lost eligibility had they successfully completed the redetermination process, many of them cannot get back on the program because the Applicant EID remains too low. The rationale for the Applicant EID seems to have been to establish a barrier to entry to the program for working families. Even with employment, families working at the state minimum wage remain deeply impoverished. Even unemployed families receiving Unemployment Insurance benefits, as many have been during the pandemic, have income too high to qualify for the program. The alignment of the Applicant and Recipient EIDs will allow the Applicant EID to keep pace with inflation and will facilitate access to the CalWORKs program for low-income families.

Maintain CalWORKs Eligibility Funding at 2020-21 Level – \$68.3 Million GF/TANF

The May Revision includes a \$68.3 million reduction, about 11 percent, to the Eligibility component of the Single Allocation in 2021-22. This is the funding that counties use to process applications for CalWORKs, redetermine eligibility, and provide case maintenance. There are two drivers of this reduction: one is based on the revised caseload assumptions made in the May Revision, which brought the current year base caseload estimates down. The other is a technical aspect of the budgeting of shared eligibility costs between CalWORKs and CalFresh, which resulting in a significant increase in the funding shifting from CalWORKs to CalFresh. Although we are working with CDSS to understand the reason for the large technical funding shift, we note that both the caseload adjustment and the technical shift are standard elements of the budgeting methodology for CalWORKs Eligibility. What is not included as a standard element of the budgeting methodology, however, is any kind of cost adjustment to reflect increases in county worker and operational costs over time. A \$68.3 million reduction would lower funding for CalWORKs Eligibility to an amount below that provided in 2018-19 when the budgeting methodology was rebased and below which counties are currently spending. The practical impact of this is that counties are faced with an immediate funding shortfall for their current eligibility workload and the only way to cover such a large reduction in one year is to use funding provided for Employment Services to pay the costs of required eligibility activities. This would occur at the same time that the Legislature is considering efforts to increase CalWORKs access and applications and improve and enhance CalWORKs engagement. CWDA requests that CalWORKs Eligibility funding in 2021-22 be maintained at the 2020-21 level.

CalWORKs Employment Services Intensive Case Management and Work Participation Rate (WPR) Indemnification – \$75 Million GF/TANF in 2021-22; \$257 Million GF/TANF Ongoing

CWDA requests \$75 million in 2021-22, \$150 million in 2022-23, and \$257 million in 2023-24 and ongoing to enhance case management for the most intensive CalWORKs cases. This proposal provides increased funding over time for these cases to cover an average of 10 hour per case per month (up from the current 5 hours per case per month). This is the minimum level to enable counties to fully realize the promise of the CalWORKs 2.0 and CalOAR initiatives. In addition, we request TBL to indemnify counties from any future penalties that the federal government may impose for failure to meet the WPR requirements. Although such penalties have never been imposed and are not imminent nor anticipated, the continued federal focus on the WPR as the sole measure of program success, reinforced by the potential negative fiscal consequences for counties of a failure to meet that measure, is a barrier to broad implementation of the CalWORKs 2.0 and CalOAR initiatives. We anticipate working with the Legislature, Administration and interested stakeholders on additional TBL to phase in these critical, innovative and consumer-focused engagement and continuous quality improvement initiatives.

Augmentations for California Department of Social Services (CDSS) Housing and Homelessness Programs – Eliminate County Match Requirement

The May Revision proposes a total of \$555 million General Fund (GF) one-time to continue and expand several housing and homelessness program administered by CDSS including: \$280 million for the Bringing Families Home (BFH) Program, which serves families in the child welfare system for whom homeless is a barrier to reunification; \$100 million for the Home Safe Program, which serves homeless and housing insecure adults who are victims of abuse and neglect; and \$175 million for the Housing and Disability Advocacy Program (HDAP), which provides housing to homeless individuals with disabilities and assists them in securing SSI benefit. These needed investments have the potential to make a significant dent in the homelessness crises among these populations and to be truly transformative in the lives of individuals and families who are served by them. However, it is our understanding that there is a 25 percent match required in order for a county to access and utilize the funds. We request this match requirement be eliminated for these funds.

The existing BFH, Home Safe, and HDAP programs all currently have dollar for dollar county match requirements. These requirements were imposed to ensure that counties continued to maintain their pre-existing local investments in the services and to spur additional local investment. The reality is, however, that the match requirement has become a barrier to counties participating in these programs. County human services agencies report they could spend additional funding if they were able to draw them down without a match. As a result, individuals and families who could be helped by these programs often go without.

Based on the proposed 25 percent match requirement, counties would need to spend about \$139 million to fully utilize the state funds, an increase of almost 2.5 times the current county match when totaled across all three programs at their current funding levels. Already a

barrier to utilization of the existing funding for these programs, the new match requirement will result in some amount of the new funding being left unused on the table, and/or will result in an inequitable distribution of the new funding and services, based not on needs within and among counties, but on counties' varying abilities to put up the local match. This new match requirement will undermine the success of these significant and much-needed state investments. We urge that the new housing funds be approved without a county match requirement.

Augmentations for California Department of Social Services (CDSS) Housing and Homelessness Programs – Expand Flexibility in the Use of Funds

In addition to the \$555 million described above for the BFH, Home Safe, and HDAP programs, the May Revision includes an increase of \$475 million in each of 2021-22 and 2022-23 to the CalWORKs Housing Support Program (HSP) that serves homeless families in the CalWORKs program, bringing total HSP funding to \$570 million. This brings total funding for the core housing programs operated by county human services agencies, including HSP, HDAP, BFH and Home Safe, to more than \$1.1 billion. There is an undeniable need for housing and homelessness supports across all of these programs – and the amounts proposed are reasonable when one just considers need. However, under the existing rules of all four of these programs, counties will struggle to fully utilize all of these funds. This is because the current rules generally require that individuals and families already be homeless before they can be assisted. There are other requirements specific to each of the various programs that place arbitrary time-limits on assistance and narrow the type of help that can be provided.

To maximize the use of these funds in a manner that allows counties to more deeply address the housing insecurity and homelessness crisis among these populations, CWDA requests that additional flexibilities be provided in these programs, consistent with what we have requested in our flexible funding for housing proposal communicated earlier in the year to your subcommittees. These needed flexibilities include:

- Assistance to prevent homelessness (such as payment of rental or mortgage arrearages, payment of utilities arrearages, provision of longer-term rental subsidies, utility payments, and other services and supports identified as being needed to maintain housing);
- Assistance in obtaining or maintaining housing, especially for individuals and families currently in living in nontraditional housing arrangements without a formal lease (such as payment of first and last months' rent and security deposits, services to clients to facilitate transition to housing, or short or longer term rental subsidies);
- Securing temporary or emergency housing for individuals in crisis such as lease agreements for temporary dwelling units and securing unused property;
- Working with landlords to increase housing availability; and
- Providing or arranging the provision of legal assistance for individuals to fight

evictions.

Essentially, we ask that counties be given maximum flexibility in the type of services, the duration of services, and the conditions under which a family or individual becomes eligible for such services. These additional flexibilities and expansions of the ways that we can currently utilize the funds for the CDSS-administered housing programs to fill the service delivery gaps will be critical to effectively using this new funding to achieve the desired goals – goals we share with the Legislature and Administration

CCR True-up – Resource Family Approval Workload – \$85 Million GF

The Continuum of Care Reform (CCR) legislation enacted in 2015, made the Resource Family Approval (RFA) process a statewide mandate on all counties. As such, the state constitutional provisions of Proposition 30 require that the state fund the net costs to each county. However, while the May Revision includes \$7.1 million GF to reimburse counties for 2018-19 costs incurred in conducting Child and Family Teams (CFTs) as part of the CCR True-up, it does not include the \$85 million GF for the costs of the workload associated with performing the RFA process.

The RFA process requires more intensive work up-front, including a comprehensive family assessment and pre-approval training. RFA staff provide direct support to the resource family as they go through the approval process to help them understand what it means to be a foster parent and assist them in meeting the health and safety requirements. While this has proved to be beneficial to preparing families for providing trauma-informed care, the RFA process is extensive in its requirements, many of which were imposed by the state during the post-CCR statewide implementation, and as such requires full funding in order to work optimally to continue to build the capacity of family-based caregivers throughout the state. These costs of the RFA process have been fronted by counties for years without reimbursement. We request these funds be added to the 2021-22 budget, and further request enactment of TBL clarifying that the RFA process is subject to Proposition 30.

Child Welfare Services (CWS) Training System – \$7 Million GF

The May Revision includes \$5 million GF for the CWS Training System to address critical underfunding in this program that prepares social workers in serving our state's most vulnerable population of children and youth. While this proposal is a good start, it falls short of meeting the current needs of child welfare staff and our partner agencies to support their incredibly difficult and complex work and ultimately, to improve outcomes for the children, youth and families served in the child welfare program. CWDA continues to request an additional \$7 million GF to modernize the training system.

Families First Prevention Services Act (FFPSA) – Part I Prevention –Ongoing Funding

and TBL

The May Revision includes \$122.4 million in one-time GF for counties to be spent over three years to support one-time implementation of FFPSA Part I prevention services. Although we have yet to see details behind this proposal, we welcome this critical investment in the prevention system. However, CWDA continues to request an ongoing investment of \$100 million GF annually for direct services and supports to children, youth and families including mental health, substance abuse, in-home parenting skills, and kinship navigator programs as well as tangible supports for families; for state infrastructure necessary to meet federal FFPSA requirements including evaluation, reporting, and supporting model fidelity; and for training to build the knowledge and skills for community-based service providers and county staff to deliver evidence-based, culturally informed and promising practices. The development of a comprehensive, community-driven and culturally sensitive prevention program that seeks to strengthen families, build resilient communities, and reduce disproportionate representation in child welfare and foster care will also require TBL, which we look forward to working on with the Legislature, Administration and key stakeholders.

High Needs Youth - \$100 Million GF

The May Revision includes \$39.2 million GF to assist counties with services to foster youth with complex needs and behavioral health conditions within California, and to support youth who were returned from an out-of-state facility earlier this year. We appreciate this initial investment and the acknowledgement that continued work is needed to meet these youths' needs, However, much more needs to be done to develop the a comprehensive continuum of placements and services available to serve these youth. For this reason, CWDA is co-sponsoring Assembly Bill (AB) 808 (Stone) with the Seneca Family of Agencies and Chief Probation Officers of California (CPOC). AB 808 would create the Children's Crisis Continuum Pilot Program to meet the needs of youth with complex care needs who have historically been sent out-of-state for treatment, through integrated continuum of intensive and highly individualized treatment settings to support stabilization and step-down to home-based care. Along with Assembly Member Stone and our co-sponsors, CWDA continues to engage the Administration regarding the pilot proposal and other proposed elements of AB 808 which are necessary to truly address the existing gap in services. For this reason, CWDA requests an additional \$100 million General Fund to support the elements of AB 808.

Child and Adolescent Needs and Strengths (CANS) Assessment Tool Workload – \$9.5 Million GF

Also related to the continued implementation of the Continuum of Care Reform, the May Revision includes \$3.4 million GF on an on-going basis to address the increased workload associated with implementation of the CANS. The CANS tool assists the Child and Family Team (CFT) in identifying how well a child/youth is functioning across several domains, so

that the CFT can more readily identify areas for needed focus and support, as well as determine if the child is improving based on the services and supports provided through the team. The CANS tool supports the goals of the CCR effort to reduce use of congregate care and achieve positive outcomes for the children, youth and families served by the child welfare program. We appreciate this funding and the recognition of the additional workload. However, this proposal assumes that all of the CANS assessments for all youth placed in STRTPs will be performed by county behavioral health workers, which we believe is an incorrect assumption. We also note that not all of the workload associated with the CANS is funded with the amount provided. To address both of these issues, CWDA requests the \$3.4 million GF be maintained as proposed, and an additional \$9.5 million GF be provided to county human services agencies to support the additional county child welfare social worker time involved in performing and documenting the CANS assessment.

Adult Protective Services – \$70 Million GF

CWDA greatly appreciates the \$100 million in one-time GF included in the May Revision to continue and expand the Home Safe Program within Adult Protective Services. Home Safe is a pilot currently operating in 25 counties that has successfully to prevented homelessness and assisted those who have become homeless and are victims of abuse, neglect or exploitation. CWDA continues to request \$70 million GF on an ongoing basis to provide long-term case management within APS for a subset of our clients with greater needs, as well as to allow APS to serve highly vulnerable adults beginning at age 60 (instead of 65 as is currently authorized). Given the significant growth the state is seeing in its older adult population and a corresponding growth in senior homelessness, coupled with the pandemic, it is imperative to give attention to the complex needs of vulnerable older adults now so that the system is set up to prevent older adults who are victims of abuse, neglect, and exploitation from further trauma and crisis.

Access to Technology for Older Adults and Adults With Disabilities – \$50 Million GF

According to a January 2021 report issued by Older Adults Technology Services (OATS), an estimated 22 million older Americans nationwide are isolated and without broadband Internet access. County human services agencies report concerns in this area as well, along with similar concerns among the population of adults with disabilities who receive services through our programs. This proposal would help to develop programs and services that connect these adults with technology in a number of ways.

We propose a \$50 million one-time grant-based program for counties that opt in to develop and implement demonstration projects drawing from best practices in other communities and counties on connecting older adults and adults with disabilities with technology and providing education and training as needed to help reduce isolation, increase connections and enhance self-confidence. Grants should be made available for rural, urban and suburban

counties in a range of sizes (such as \$1 million for rural counties, \$3 million for suburban, and \$7 million for urban, as an example). We recommend funding be included for data collection and analysis at the state level to identify the most promising approaches and develop recommendations to expand these services at the conclusion of the pilot, which should be operable for a minimum of two years.

The kinds of programs developed in other places combine outreach, education and training, provision of technology (laptops, smartphones, etc.) and provision of reliable Internet access. Structuring the program to allow expenditures on all of these items, as well as to administer the program at the county level, is important. We expect that TBL would be needed in order to set the parameters of the program. We look forward to working with you, the Administration and key advocates on this proposed program.

In-Home Supportive Services Electronic Forms – \$5 Million GF

CWDA continues to request \$5 million GF to support implementation in all counties of electronic forms for both consumers and providers in the IHSS program. This funding would enable counties to take immediate steps while the California Department of Social Services explores and develops a 58-county solution through both the public-facing Electronic Services Portal (ESP) and the CMIPS portal, the electronic systems that applicants, recipients, and IHSS providers access regularly. This proposal would enable older adults and individuals with disabilities -- including applicants for services, existing IHSS consumers, and their providers of care -- to more expeditiously and safely access these vital services in their own homes.

CalFresh Administration – Simplifications to Improve Program Access – \$8.8 Million GF

The 2020-21 budget enacted several new requirements for county administration of the CalFresh program to improve access to the program. The changes were originally contained in a policy bill, AB 2413, authored by Assembly Member Ting and sponsored by CWDA that were eventually incorporated into a budget trailer bill (AB 79, Chapter 11, Statutes of 2020), Funding of approximately \$28 million GF was provided for 2020-21 (and \$8.4 million GF annually ongoing was identified) to support the associated automation and workload needed for implementation.

CWDA has identified a number of concerns regarding the Administration's implementation efforts of these simplifications as well as some interrelated budget decisions. First, largely because of the pandemic, instructions have not been finalized as quickly as expected and implementation of the changes will likely be slower than originally planned. Additionally, the Administration concluded (without CWDA's agreement) that counties will not need the funding that was provided to implement one of the new mandated provisions, specifically the requirement that each county dedicate at least one staff position to liaise with

community-based organizations that provide Medi-Cal application assistance to establish CalFresh application referral and communication. In addition, the Administration shifted funding internally in order to provide more funding than actually is needed for the automation changes.

The net result of these various changes is a funding shortfall of \$8.8 million GF in 2020-21 and approximately \$7 million GF in 2021-22 and annually ongoing to implement the new requirements. CWDA requests that this funding be added back to the budget. To accomplish this, an \$8.8m GF increase is needed in the budget year.

We will engage with your staff and the Administration to determine what, if any, TBL may be needed to ensure implementation continues at an appropriate and sustainable pace in light of these delays.

CalFresh Administration – Student Eligibility Expansion – \$8.2 Million GF

Beginning in January 2021, CalFresh student eligibility was temporarily expanded to include students eligible to participate in state or federally financed work study during the regular school year or who have an expected family contribution of \$0 during the current academic year. The eligibility expansion will stay in effect until 30 days after the COVID-19 public health emergency is lifted. CWDA strongly supported this expansion and is working at the federal level to advocate for its continuation after the health emergency ends. Based on the best available estimates at the time this expansion was enacted, the Administration added \$11.8 million GF in the current year on a one-time basis for county workload associated with the anticipated additional cases; the available amount is proposed to be reduced to just \$3.7 million GF in the budget year.

We have yet to review the detailed assumptions behind the reduced funding level, but we have concerns about this proposal. Although the uptake among students has been slower and lower than hoped in the current fiscal year, we believe it is too soon to conclude that trend will continue once school picks up again in the fall and outreach efforts are renewed, and likely expanded on the part of campuses and advocates. We also know that the funding estimates continue to be based on 20-year old county worker costs, and as such are inherently understated. We request the addition of \$8.2 million GF on a one-time basis to maintain the funding level from the current year into the budget year, in light of the uncertainty of number of new cases and the known underfunding of county worker costs. We will also continue to monitor the student application and caseload growth into the fall and will consider whether additional funding is needed at that time.

Implement a Global Telephonic Signature Solution for Human Services Programs – \$5 Million GF

CWDA continues to request \$5 million GF (\$4 million one-time and \$1 million ongoing) to support implementation of a global telephonic signature solution for human services programs. Providing counties with a simple infrastructure to support telephonic signatures will allow Californians in need to more quickly and seamlessly access services through the variety of programs counties operate. We propose to provide a simple, global telephonic signature solution that could be used for any county human services program that does not otherwise have access to a method of recording and storing telephonic signatures, so long as the program policy allows use of telephonic signature. This solution would be managed by the CalSAWS project, leveraging their existing technical infrastructure, federal approvals to use cloud storage, and vendor contracts to stand up a simple telephonic signature solution. For ease of use and faster implementation, this proposal is for a standalone solution, which will not be integrated with other IT systems (such as CalWIN, CMIPS, CWS/CMS, CWS-CARES, CalHEERS, and so forth) at this time. While we anticipate many of these systems will offer integrated support in the future, at this time, our goal is to bridge the gap until such integrated functionality becomes available.

Automation for Undocumented Older Californians Expansion – \$860,000 GF

The May Revision includes \$50 million GF in 2021-22 and \$859 million GF in 2022-23 and ongoing to expand Medi-Cal, including IHSS, to undocumented adults aged 60 and older effective no sooner than May 1, 2022. CWDA strongly supports this expansion. It is unclear, however, whether the proposed funding includes approximately \$860,000 GF in needed funding for the SAWS changes required to implement the expansion. We are checking with the Administration on this, but have not yet been able to confirm.

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