



CWDA

Advancing Human Services
for the Welfare of *All* Californians

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February 28, 2019

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

Honorable Members
Assembly Budget Subcommittee No. 1

From: Frank J. Mecca, Executive Director

**RE: IMPLEMENTATION OF SUPPLEMENTAL SECURITY
INCOME (SSI) CASH-OUT REVERSAL**

The County Welfare Directors Association of California (CWDA) strongly supports the reversal of the SSI Cash-out that was enacted as part of the 2018-19 budget to provide CalFresh benefits to individuals who were previously ineligible for the program due to receipt of SSI benefits. This momentous change will increase the food and economic security of an estimated 370,000 Californians. We also support the development of the Supplemental Nutrition Benefit (SNB) and Transitional Nutrition Benefit (TNB) programs to mitigate the negative impacts on existing CalFresh households who will experience a benefit reduction or loss due to the inclusion of the SSI recipient in the CalFresh household, as well as making the SNB and TNB programs permanent for existing CalFresh households as proposed in the Governor's Budget. In conjunction with county and Statewide Automated Welfare System (SAWS) consortia staff, CWDA has worked tirelessly and in partnership with the California Department of Social Services (CDSS) and other advocacy organizations to prepare for SSI Cash-out reversal implementation on June 1, 2019.

Unfortunately, the county administrative costs of implementing the reversal of SSI Cash-out are understated for 2019-20 in the proposed Governor's Budget. CWDA requests your support for an additional \$15.4 million General Fund (GF) (\$5.3 million one-time) to support the significant workload associated with the estimated 10 percent increase in CalFresh caseload that will result from SSI Cash-out reversal and with the new SNB and TNB programs. Our request includes the following components:

- Update to the budgeting methodology unit cost used for the workload to current worker rate levels.
- One-time investment for costs associated with a large influx of applicants related to the reversal of this policy.

Workload Cost Assumptions Outdated and Significantly Understated

While counties have some concerns that the workload assumptions regarding processing time for SSI cases may be understated, we have not yet worked with these cases and therefore CWDA currently believes that the Administration's workload assumptions are reasonable and are consistent with the workload assumptions made for budgeting purposes for all other CalFresh cases. However, CDSS is using an hourly county worker rate for purposes of calculating the budget that has not been updated since 2000-01 and is approximately only 60 percent of current county costs. Because of this nearly 20-year-old county worker cost assumption, administrative funding for ending SSI cash out is understated in the proposed budget by \$10.1 million GF in the budget year. We request an ongoing increase in funding to accommodate for this gap.

Workload for Significant Application Volume Unfunded

Counties are facing the potential for an unprecedented volume of CalFresh applications being submitted in a very short period of time as a result is SSI recipients becoming eligible for CalFresh benefits beginning June 1, 2019. Regardless of whether a CalFresh application is approved or denied, there are statutorily required processes that must be completed for all applications. During the budget deliberations last year on SSI Cash-out reversal, it was assumed that outreach to the 1.2 million individuals on SSI in California would be done in a targeted fashion, which would have helped to mitigate the application volume. Since that time, however, outreach efforts have become much broader and information about the SSI eligibility change is widespread. Based on what we believe to be conservative estimates of the number of new applications that will be submitted and current average denial rates, we estimate counties may receive twice as many applications as the 370,000 that CDSS expects will become cases. Although the current CalFresh Administration budgeting methodology used by CDSS does not typically fund county workload associated with applications that are ultimately denied, considering the surge of applications that will result from the reversal of SSI Cash-out, CWDA requests one-time funding of \$4.5 million GF.

The Administration has been very open to discussing these funding issues with us. We will continue to work with them leading up to the May Revision to refine and improve the budget estimates related to effective and efficient county administration of this important policy. In the meantime, thank you for your consideration of our request.

cc: Gail Gronert, Office of the Assembly Speaker
Jason Sisney, Office of the Assembly Speaker
Nicole Vazquez, Assembly Budget Subcommittee No. 1
Cyndi Hillery, Assembly Republican Fiscal Office
Marla Cowan, Office of Assembly Member Joaquin Arambula
Richard Figueroa, Office of Governor Gavin Newsom
Tam Ma, Office of Governor Gavin Newsom
Mark Newton, Legislative Analyst's Office
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Marko Mijic, Health and Human Services Agency
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Adam Dorsey, HHS, Department of Finance
Jay Kapoor, HHS, Department of Finance
Justin Garrett, California State Association of Counties
County Caucus