

AGENDA**ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES****ASSEMBLYMEMBER DR. JOAQUIN ARAMBULA, CHAIR****WEDNESDAY, APRIL 19, 2017
2:30 P.M. - STATE CAPITOL, ROOM 444**

| ITEMS TO BE HEARD | | |
|--------------------------|--|----|
| ITEM | DESCRIPTION | |
| 5180 | DEPARTMENT OF SOCIAL SERVICES | |
| ISSUE 1 | CALFRESH: PROGRAM AND BUDGET REVIEW | 3 |
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Please note that though State Hearings was listed in the Daily File, this Division at the Department of Social Services is not agendized for this hearing. No concerns have been formally raised for the Subcommittee's attention and there are no active requests to be heard in the Governor's Budget apart from the workload budget.

LIST OF PANELISTS IN ORDER OF PRESENTATION**ISSUE 1: CALFRESH: PROGRAM AND BUDGET REVIEW**

- Will Lightbourne, Director, and Kim McCoy Wade, Chief, CalFresh Branch, California Department of Social Services
- Kevin Aslanian, Advocate, Coalition of California Welfare Rights Organization
- Jessica Bartholow, Legislative Advocate, Western Center on Law and Poverty
- Tyler Woods, Department of Finance
- Ryan Woolsey, Legislative Analyst's Office
- Public Comment

ISSUE 2: EMERGENCY FOOD PROGRAM REVIEW AND ADVOCACY REQUEST

- Will Lightbourne, Director, and Kim McCoy Wade, Chief, CalFresh Branch, California Department of Social Services
- Andrew Cheyne, Director of Government Affairs, California Association of Food Banks
- Tyler Woods, Department of Finance
- Ryan Woolsey, Legislative Analyst's Office
- Public Comment

ISSUE 3: ABLE-BODIED ADULTS WITHOUT DEPENDENTS (ABAWD) PROGRAM REVIEW AND ADVOCACY REQUESTS

- Will Lightbourne, Director, and Kim McCoy Wade, Chief, CalFresh Branch, California Department of Social Services
- Jessica Bartholow, Legislative Advocate, Western Center on Law and Poverty
- Kevin Aslanian, Advocate, Coalition of California Welfare Rights Organizations
- Tyler Woods, Department of Finance
- Ryan Woolsey, Legislative Analyst's Office
- Public Comment

ISSUE 4: SUPPLEMENTAL NUTRITION BENEFIT PILOT ADVOCACY REQUEST

- Tracey Patterson, Director of Legislation, California Food Policy Advocates
- Will Lightbourne, Director, and Kim McCoy Wade, Chief, CalFresh Branch, California Department of Social Services
- Tyler Woods, Department of Finance
- Ryan Woolsey, Legislative Analyst's Office
- Public Comment

ISSUE 5: PREVENTING UNINTENDED PREGNANCIES FOR FOSTER YOUTH ADVOCACY REQUEST

- Amy Lemley, Executive Director, John Burton Advocates for Youth
- Alexis Barries, Student, Sacramento City College
- Will Lightbourne, Director, California Department of Social Services
- Lia Moore, Department of Finance
- Ben Johnson, Legislative Analyst's Office
- Public Comment

ISSUE 6: SPRING FINANCE LETTER: HOME CARE SERVICES PROGRAM

- Pat Leary, Chief Deputy Director, and Pam Dickfoss, Deputy Director Community Care Licensing, California Department of Social Services
- Lia Moore, Department of Finance
- Ginni Bella, Legislative Analyst's Office
- Public Comment

ITEMS TO BE HEARD

5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE 1: CALFRESH: PROGRAM AND BUDGET REVIEW

PANEL

- Will Lightbourne, Director, and Kim McCoy Wade, Chief, CalFresh Branch, California Department of Social Services
 - Please provide an overview of the current state and the Governor's budget for the CalFresh program, highlighting recent program dynamics, accomplishments, goals, etc.
- Frank Mecca, Executive Director, County Welfare Directors Association of California
 - Please provide the county perspective on the CalFresh program's current situation, challenges, and outlook.
- Kevin Aslanian, Advocate, Coalition of California Welfare Rights Organization
 - Please present on the advocacy proposal.
- Jessica Bartholow, Legislative Advocate, Western Center on Law and Poverty
 - Please present on the advocacy proposal.
- Tyler Woods, Department of Finance
- Ryan Woolsey, Legislative Analyst's Office
- Public Comment

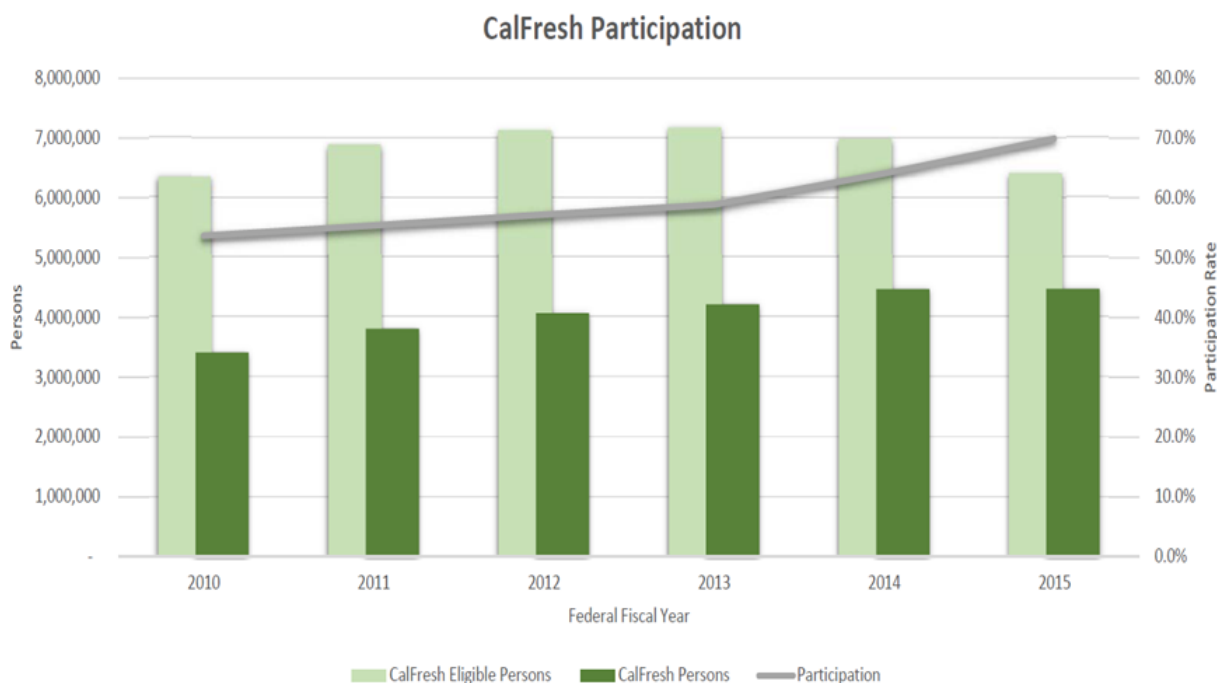
PROGRAM AND BUDGET REVIEW

Eligibility and Caseload. CalFresh (formerly known as Food Stamps) is a federal entitlement program that provides monthly benefits to assist low-income households in purchasing the food they need to maintain adequate nutritional levels. Households are eligible with incomes at or below 200% of the federal poverty level for gross income and 100% net (after deductions). Eligibility standards and benefit levels are nationally set by Congress and the President and administered by the United States Department of Agriculture (USDA). The program is called the Supplemental Nutrition Assistance Program (SNAP) at the federal level.

California's caseload is currently 2 million households (also called cases, including one person or more), representing 4.1 million individuals, per month. Of the 2 million households, 250,000 are also participating in CalWORKS, while 1.8 million cases are not.

For the first time in fifteen years, the CalFresh caseload is dropping. This drop began in early 2016 and is believed to be driven by improvements in employment rates and increases to minimum wage. More recently, the California Department of Social Services (DSS) is analyzing caseload for indications of trends reported in the press and from some stakeholders of eligible immigrants dis-enrolling in CalFresh and other benefits.

Participation rates of eligible persons overall, however, continued to climb in 2015. The State Program Reach Index (PRI) for 2015 is calculated at 69.7%. For children, the PRI is even higher, at 94.7%. This chart illustrates how participation rates grow, even as caseload begins to drop, because the people who are eligible is dropping faster.



Source: CalFresh Data Dashboard (www.cdss.ca.gov/research/PG3575.htm)

California's Participation. Nationally, California remains ranked 47th by USDA for its 2014 participation rates, at 66% compared to a national rate of 83%. DSS notes that California faces a unique set of challenges that make it more difficult to engage people in need. California's population is the largest in the country, therefore the subset of people eligible for CalFresh is proportionally large. At the same time, California is continuing to improve its participation rate, so DSS projects that the state will continue to incrementally climb the participation rankings for the 2015 year.

DSS has also recently analyzed the number of people who receive at least one month of CalFresh benefits during the year, to better capture the full scope of people benefiting from nutrition assistance. In 2016, the average number served each month was 4.1 million people, while the total, unduplicated number served during the year was 5.8

million people. For children, the numbers are 2.1 million children average each month and a total of 2.7 million children during the year.

Benefit Levels and Program Administration. Benefits are 100 percent federally funded. The average benefit in California is \$140.58 per person per month and \$292.21 per household per month. Total annual benefits received in California in 2016 were approximately \$8.0 billion and generated an economic impact of \$14.3 billion. Administrative costs are shared between the federal, state and county governments. The total cost in 2017-18 for administration is projected to be nearly \$1.9 billion, with \$657.8 million from the General Fund.

The California Food Assistance Program (CFAP) provides CalFresh food benefits to certain legal non-citizens who are eligible for SNAP except for their immigration status. The CFAP benefits and administrative costs are funded by \$67 million in General Fund.

CalFresh benefits are issued through an Electronic Benefit Transfer (EBT) card. By using the EBT card, cardholders can access food benefits at the point-of-sale (POS) terminals of retailers, including grocery stores and farmers' markets, authorized by USDA to accept CalFresh benefits.

Current Initiatives Targeting Senior Participation. California's senior population has historically been underserved by CalFresh. Seniors (aged 60 and over) make up approximately 7 percent of the caseload in 2015, despite those 65 and over being 10 percent of the population in poverty in California. DSS states that it is engaging in a set of strategies to increase participation among currently eligible seniors and persons with disabilities: 1) on October 1, 2017, implementing a USDA "Elderly Simplified Application Project" to provide seniors with no earnings a three year-certification period; all electronic verifications at application; and no interview at recertification, unless requested; 2) on October 1, 2017, implementing a USDA "Standard Medical Deduction demonstration project" to increase benefits of those with high medical expenses, which often includes seniors; 3) engaging the Behavioral Insights Team to test and design user-friendly application experiences and assistance for seniors; and 4) engaging the Benefits Data Trust to develop an enrollment and application assistance campaign for seniors. DSS states that it will be convening a broad group of nutrition and senior stakeholders in summer 2017 to plan and coordinate this work and supporting partnerships.

DSS Information on SSI Cash-Out. This issue was covered briefly at the March 15, 2017 hearing of the Subcommittee and was raised in preparation for this hearing on CalFresh. The following information has been provided by DSS in response to questions around the dynamic and outcomes of reversing the SSI cash-out policy.

A unique situation in California is that seniors and people with disabilities receiving SSI are not eligible for CalFresh, as they are in other states, in a policy known as "cash-out". Ending cash-out and restoring CalFresh eligibility to people with Social Security Income (SSI) is a state option that would have a range of impacts. Overall, 375,000 households

that include only SSI recipients would benefit the most. These households would be eligible for approximately \$75 per month in federal food assistance. However, the SSI recipients living in the 174,000 households that already receive CalFresh for the non-SSI members face a mixed picture once the SSI income is counted for CalFresh purposes. It is estimated that 34,000 would receive higher benefits, 126,000 would receive lower, and 14,000 would become income ineligible.

Examples of those households experiencing benefit reduction include families with disabled children or elderly grandparents. On balance, far more people are advantaged by the end of cash-out than are disadvantaged (approximately 3:1) and far more federal dollars are secured than lost (the net is \$205 million annually), but there is also a significant loss of public assistance income to some families to take into consideration in evaluating this option, unless a hold harmless approach were to be adopted alongside a reversal of the policy to ensure that no cases would see a net decrease in benefit levels.

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| OVERSIGHT OVER PREVIOUSLY APPROVED PROPOSAL |
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Children's Enrollment Initiative. As part of the enacted 2016 Budget, a Budget Change Proposal (BCP) was approved to raise CalFresh children's enrollment. The Budget included \$804,000 (\$261,000 General Fund) and five positions for DSS to provide technical assistance and training to the 19 largest counties on effective business processes for enrolling and retaining families in CalFresh, with the goal of increasing the total number of children enrolled in CalFresh by 400,000 by June 30, 2018.

The Subcommittee last year approved the BCP and requested a written update to be provided in the annual budget process to the Subcommittee on the progress of enrollment for each year that the initiative is in effect. An update was received verbally and progress has been somewhat stalled with the initiative. DSS is requested to provide the update in writing to the Subcommittee pursuant to the action taken last year and to be kept apprised of progress as the initiative moves forward.

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| ADVOCACY REQUEST |
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CalFresh Report Language. Several organizations, led by the Coalition of California Welfare Rights Organization and the Western Center on Law and Poverty have submitted a request that asks, in part, for the Subcommittee to consider adopting Supplemental Report Language (SRL) to improve legislative and community access to data necessary to inform decision making about the program. Draft SRL as follows has been submitted for consideration:

Item 5180-101-0001--Department of Social Services - County CalFresh Denial and Discontinuance Monthly Reports. The department shall report to the Legislature, no later than April 1, 2018, on the development of monthly statistical reports relative to the CalFresh program similar to CW 25311 and 25512 that is currently made available

monthly for the CalWORKs program. The department shall convene a workgroup composed of advocates of CalFresh beneficiaries and County Human Services Agencies to develop CalFresh and CalFresh Expedited Services application denials and benefit discontinuances report elements, to be reported by county and by consortia, which shall include: information relative to applications submitted on-line, by mail, by phone or in-person; mode of communication used for the interview; reasons for denials and discontinuances; numbers and reasons for overissuances; and any other reporting elements identified by the workgroup as necessary to assure that the public and the Legislature has adequate information about the performance of the CalFresh program in California to ensure maximum participation of eligible Californians.

STAFF COMMENT AND QUESTIONS

Advocates have raised concerns, and DSS also notes, that participation among families eligible for CalFresh may be adversely impacted by current events regarding immigration and naturalization concerns and federal actions. It is uncertain how grave or strong an influence this has had on CalFresh participation for families and children who are experiencing food insecurity.

The Subcommittee may wish to ask the following questions the course of this hearing:

- What is DSS hearing from local partners and counties about families fearing enrollment in CalFresh or leaving the program due to safety concerns?
- What has been the experience of food banks in recent months and does this indicate a trends in community fear, hunger, and access?
- What are the connections between CalFresh access and participation, or limits and challenges to these, and reliance on emergency food in California?

Staff Recommendation:

Staff recommends holding the CalFresh budget open pending the May Revision and reiterating the desire for a written update on the CalFresh effort involving children, in addition to periodic updates, perhaps on a quarterly basis, on how the senior outreach and enrollment initiatives play out in the course of 2017-18, beginning in July 2017.

ISSUE 2: EMERGENCY FOOD PROGRAM REVIEW AND ADVOCACY REQUEST**PANEL**

- Will Lightbourne, Director, and Kim McCoy Wade, Chief, CalFresh Branch, California Department of Social Services
 - Please present on the current situation and the Governor's proposals for the Drought Food Assistance and the CalFood Programs.
- Andrew Cheyne, Director of Government Affairs, California Association of Food Banks
 - Please present on the advocacy proposal.
- Tyler Woods, Department of Finance
- Ryan Woolsey, Legislative Analyst's Office
- Public Comment

BACKGROUND AND GOVERNOR'S PROPOSAL

Drought Food Assistance. The 2016 Budget included \$18.4 million General Fund in local assistance funding to operate the Drought Food Assistance Program (DFAP) through 2016-17 based on the known level of need. DFAP is the temporary program developed in response to the Governor's Drought Emergency Declaration, and seeks to provide food assistance to drought-affected communities with high levels of unemployment. To be eligible for food programs, a recipient must have income below 150 percent of federal poverty level, be a local resident, and use the food received in their personal home. The Governor's proposed 2017-18 Budget proposes no additional DFAP funding beyond the current year allocation.

DFAP food is provided by the California Emergency Foodlink, the non-profit DSS contractor which normally purchases and distributes USDA food statewide. Counties that will receive DFAP are those with unemployment rates that were above the state-wide average in 2013, and which have a higher share of agricultural workers than California as a whole. Receiving counties include Amador, Butte, Colusa, Fresno, Glenn, Imperial, Kern, Kings, Lake, Lassen, Madera, Merced, Modoc, Monterey, Riverside (Coachella Valley), San Benito, San Joaquin, San Luis Obispo, Santa Barbara, Santa Cruz, Sierra, Siskiyou, Stanislaus, Sutter, Tehama, Tulare, Ventura, Yolo, and Yuba.

Household DFAP eligibility is based on a self-certification process, whereby recipients identify themselves as the head of a household in an affected community where the household's unemployment or underemployment is directly related to the drought. DFAP food boxes are prepackaged, weigh approximately 25 pounds, and designed to provide food for a household of four people for about five days. Contents include,

among others, spaghetti, pinto beans, apple sauce, green beans, corn, and tomato sauce. Participating food banks inform affected households of the location and availability of DFAP food distributions. Food banks are expected to collaborate with other local community organizations that may be engaged with these families. Eligible households with longer-term needs also will be offered information and assistance in applying for CalFresh.

CalFood, Previously State Emergency Food Assistance Program (SEFAP). Funds for the CalFood program, formerly known as the State Emergency Food Assistance Program, may be used to purchase, store, and transport food that is grown or produced in California. According to DSS, CalFood provides emergency food and funding to food banks to help fill the unmet need left by the federal TEFAP (The Emergency Food Assistance Program) to provide healthy food to the hungry in California.

CalFood has been funded (in total) as follows in past budgets, each time on a one-time basis:

| | |
|---------|---|
| 2013-14 | \$1 million (funding transfer from the State Assembly's budget) |
| 2014-15 | \$1 million (funding transfer from the State Assembly's budget) |
| 2015-16 | \$0 |
| 2016-17 | \$2 million (General Fund) |

The Governor's proposed budget for 2017-18 includes no funding for CalFood, returning it to a non-funded program.

ADVOCATES' REQUESTS

CalFood Funding Request - \$17.5 million General Fund. The California Association of Food Banks, with many individual food banks and food policy advocates writing in support, has submitted an advocacy proposal requesting funding of \$17.5 million General Fund for CalFood to meet emergency food needs across the state. CAFB states that the 2016-17 budget responded to California's hunger and poverty crisis in two forms - \$2 million for CalFood and \$18.4 million for the DFAP. CalFood funds were made available on August 17, 2016, with food banks having spent more than 80% of funds in the six months following that notice.

CAFB reports that DSS projects the remaining DFAP funds to support the delivery of emergency food resources through August 2017, covering two months of the 2017-18 budget year. The Governor's Budget, proposing no continued funding for either program, leaves a full budget year gap of \$2 million in CalFood and a prorated gap of \$15.5 million over ten months in DFAP. Therefore, CFAB is requesting that the Legislature work with the Administration to fund CalFood at \$17.5 million in the 2017-18 Budget to simply maintain the current level of support for emergency food.

CFAB states that funding CalFood at \$17.5 million would deliver some 87.5 million meals while supporting California farmers, as each dollar appropriated enables California food banks to provide roughly five meals. “This is a proven, absorbable funding level, and anything less represents a cut at a time when the need is rising. The rains may have returned, but employment in drought affected areas lags as farmers plan well in advance of the weather, and agricultural communities from Firebaugh to El Centro have extraordinary rates of unemployment even in good economic times. Moreover, access to emergency food from trusted partners such as food banks is urgent given the climate of fear affecting CalFresh.”

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| STAFF COMMENT AND QUESTIONS |
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The Subcommittee may wish to ask further about observations of continuing need seen as a result of the DFAP and one-time \$2 million in the current year for CalFood. The input and feedback of local food banks, charities, and other pantry services may help to illustrate the severity of continuing need in communities across the 58 counties.

Staff Recommendation:

Staff recommends holding these issues open.

ISSUE 3: ABLE-BODIED ADULTS WITHOUT DEPENDENTS (ABAWD) PROGRAM REVIEW AND ADVOCACY REQUESTS**PANEL**

- Will Lightbourne, Director, and Kim McCoy Wade, Chief, CalFresh Branch, California Department of Social Services
 - Please present on the current situation and the Governor's proposals as you prepare for the waiver expiration on August 31, 2018 for the ABAWD program.
- Jessica Bartholow, Legislative Advocate, Western Center on Law and Poverty
 - Please present on the advocacy proposal.
- Kevin Aslanian, Advocate, Coalition of California Welfare Rights Organizations
 - Please present on the advocacy proposal.
- Tyler Woods, Department of Finance
- Ryan Woolsey, Legislative Analyst's Office
- Public Comment

PROGRAM BACKGROUND

The CalFresh “ABAWD” rule limits “able bodied adults without dependents” (ABAWDs) to three months of CalFresh benefits in a thirty-six month period, unless they are either exempt or meet the 20 hour per week work requirement. However, California has been waived from applying this rule for the last several years, due to high unemployment rates. The statewide ABAWD waiver was expected to end on December 31, 2017, but an extension request was approved earlier in the calendar year, moving this date to August 31, 2018. The expiration of the waiver would have meant that some non-assistance CalFresh recipients would be required to satisfy the ABAWD work requirement as a condition of CalFresh eligibility unless they reside in a county or part of a county that meets federally established waiver criteria.

Preparation for Waiver Expiration. Once the statewide waiver expires, DSS states that California will likely be eligible for a waiver for areas of the State that are still experiencing relatively high-unemployment rates. DSS states that it will continue to apply for those waivers for those parts of the State that are eligible. However, many people living in counties with lower unemployment rates will begin to be subject to the time limit. Therefore, DSS is now working with counties and stakeholders to prepare to implement the time limit and for the tracking of “countable” (and not countable) months towards the three-month time limit.

State of California
March 24, 2017
March 2016 Benchmark

Employment Development Department
Labor Market Information Division
<http://www.labormarketinfo.edd.ca.gov>
(916) 262-2162

REPORT 400 C
Monthly Labor Force Data for Counties
January 2017 - Revised
Data Not Seasonally Adjusted

| COUNTY | RANK BY RATE | LABOR FORCE | EMPLOYMENT | UNEMPLOYMENT | RATE |
|--------------------|--------------|-------------------|-------------------|------------------|-------------|
| STATE TOTAL | --- | 19,084,400 | 18,033,100 | 1,051,300 | 5.5% |
| ALAMEDA | 6 | 837,400 | 803,100 | 34,300 | 4.1% |
| ALPINE | 13 | 630 | 600 | 30 | 4.6% |
| AMADOR | 28 | 14,630 | 13,700 | 930 | 6.4% |
| BUTTE | 31 | 103,300 | 96,000 | 7,300 | 7.1% |
| CALAVERAS | 27 | 20,800 | 19,530 | 1,280 | 6.1% |
| COLUSA | 58 | 10,570 | 8,070 | 2,500 | 23.6% |
| CONTRA COSTA | 8 | 555,900 | 531,800 | 24,100 | 4.3% |
| DEL NORTE | 36 | 9,890 | 9,130 | 760 | 7.7% |
| EL DORADO | 19 | 89,500 | 84,800 | 4,700 | 5.3% |
| FRESNO | 48 | 446,900 | 399,900 | 46,900 | 10.5% |
| GLENN | 45 | 13,100 | 11,810 | 1,300 | 9.9% |
| HUMBOLDT | 16 | 62,110 | 59,010 | 3,100 | 5.0% |
| IMPERIAL | 57 | 76,000 | 59,900 | 16,100 | 21.1% |
| INYO | 20 | 8,890 | 8,410 | 480 | 5.4% |
| KERN | 51 | 388,500 | 345,300 | 43,200 | 11.1% |
| KINGS | 53 | 56,400 | 49,800 | 6,600 | 11.8% |
| LAKE | 32 | 29,570 | 27,430 | 2,150 | 7.3% |
| LASSEN | 37 | 10,740 | 9,890 | 850 | 7.9% |
| LOS ANGELES | 17 | 5,040,600 | 4,782,400 | 258,200 | 5.1% |
| MADERA | 46 | 62,700 | 56,400 | 6,300 | 10.0% |
| MARIN | 2 | 140,400 | 135,900 | 4,500 | 3.2% |
| MARIPOSA | 40 | 7,040 | 6,430 | 610 | 8.7% |
| MENDOCINO | 25 | 39,280 | 37,000 | 2,280 | 5.8% |
| MERCED | 54 | 114,600 | 100,300 | 14,200 | 12.4% |
| MODOC | 46 | 3,190 | 2,880 | 320 | 10.0% |
| MONO | 10 | 9,010 | 8,610 | 400 | 4.4% |
| MONTEREY | 52 | 212,400 | 188,700 | 23,700 | 11.2% |
| NAPA | 15 | 71,200 | 67,700 | 3,500 | 4.9% |
| NEVADA | 14 | 48,640 | 46,290 | 2,350 | 4.8% |
| ORANGE | 5 | 1,593,500 | 1,532,100 | 61,500 | 3.9% |
| PLACER | 11 | 179,300 | 171,300 | 8,100 | 4.5% |
| PLUMAS | 56 | 7,470 | 6,490 | 990 | 13.2% |
| RIVERSIDE | 23 | 1,059,900 | 999,200 | 60,700 | 5.7% |
| SACRAMENTO | 20 | 695,600 | 658,200 | 37,400 | 5.4% |
| SAN BENITO | 33 | 29,800 | 27,600 | 2,200 | 7.4% |
| SAN BERNARDINO | 20 | 944,600 | 893,100 | 51,400 | 5.4% |
| SAN DIEGO | 11 | 1,588,500 | 1,498,000 | 70,400 | 4.5% |
| SAN FRANCISCO | 2 | 560,000 | 541,800 | 18,200 | 3.2% |
| SAN JOAQUIN | 39 | 319,400 | 291,900 | 27,600 | 8.6% |
| SAN LUIS OBISPO | 8 | 138,600 | 132,700 | 5,900 | 4.3% |
| SAN MATEO | 1 | 448,200 | 435,100 | 13,100 | 2.9% |
| SANTA BARBARA | 26 | 214,900 | 202,100 | 12,800 | 6.0% |
| SANTA CLARA | 4 | 1,025,300 | 988,000 | 37,300 | 3.6% |
| SANTA CRUZ | 41 | 142,700 | 130,200 | 12,500 | 8.8% |
| SHASTA | 33 | 75,300 | 69,700 | 5,600 | 7.4% |
| SIERRA | 43 | 1,310 | 1,190 | 120 | 9.2% |
| SISKIYOU | 49 | 17,680 | 15,790 | 1,890 | 10.7% |
| SOLANO | 23 | 207,500 | 195,800 | 11,700 | 5.7% |
| SONOMA | 6 | 257,000 | 246,600 | 10,400 | 4.1% |
| STANISLAUS | 42 | 245,000 | 223,000 | 21,900 | 9.0% |
| SUTTER | 50 | 45,000 | 40,100 | 5,000 | 11.0% |
| TEHAMA | 35 | 25,520 | 23,610 | 1,910 | 7.5% |
| TRINITY | 38 | 4,870 | 4,470 | 410 | 8.3% |
| TULARE | 55 | 207,300 | 181,500 | 25,800 | 12.5% |
| TUOLUMNE | 30 | 21,710 | 20,240 | 1,480 | 6.8% |
| VENTURA | 17 | 429,500 | 407,400 | 22,100 | 5.1% |
| YOLO | 29 | 106,400 | 99,400 | 7,000 | 6.6% |
| YUBA | 44 | 28,600 | 25,900 | 2,700 | 9.5% |

Notes

- 1) Data may not add due to rounding. The unemployment rate is calculated using unrounded data.
- 2) Labor force data for all geographic areas now reflect the March 2016 benchmark and Census 2010 population controls at the state level.

DSS states that its goals in implementing the rule are three-fold: 1) maintain access to nutrition benefits for eligible adults; 2) maintain accuracy and integrity in administering a complicated rule; and 3) minimize workload impact on counties. DSS states that it is working with counties and stakeholders to be able to assist single adults in meeting the new requirements by increasing employment and training opportunities, improving client communications and engagement, and recognizing in state policy the many barriers to work some clients face, such as chronic homelessness or alcohol or drug addiction.

ABAWD Caseload and Administrative Costs. The 2016 Budget Act included funding to modify automated systems to begin tracking ABAWD cases and the time limit. The administrative costs of \$12.7 million were anticipated to be partially offset by administrative savings of \$9.2 million from ABAWD cases that would be discontinued from CalFresh for failing to meet participation requirements in 2017-18. With the waiver extension, these costs will presumably be adjusted in the May Revision. The ABAWD caseload is 451,812 in 2017-18. Loss of the ABAWD waiver was expected to result in approximately 10,000 individuals being discontinued from CalFresh, though advocates contend that this drop-off number could be much higher.

ADVOCATES' REQUESTS

Several organizations, led by the Coalition of California Welfare Rights Organization and the Western Center on Law and Poverty have submitted a request that asks, in part, for the Subcommittee to consider requests related to the pending expiration of the ABAWD statewide waiver. These advocates state that the ABAWD time limit is one of the most hardhearted and backward thinking of the policy changes implemented during federal welfare reform, because it denies food aid to people who want to work and will accept any job or work program slot offered but are simply not able to secure one. Unlike work requirements in other public assistance programs, states have no obligation to offer employment services to someone unable to secure 20 hours of work before cutting them off assistance. As a result, most of these individuals are denied food help and go hungry, making it more difficult to find work, not less. The advocates state that the ABAWD population often faces the most severe barriers to work and could benefit from a county-administered employment and training placement and barrier removal support services that could come with it.

The advocates contend that even in the context of the statewide waiver expiring, most counties will remain eligible for a waiver under federal law and guidance. Existing state law requires the state to seek a federal waiver for all counties eligible for a waiver due to job surplus and high unemployment unless the county board of supervisors sends the DSS a notification stating their intent to opt out of the waiver, whereby denying out-of-work Californians federally funded food benefits intended to prevent hunger. Only a few counties have ever used this authority to opt out of a waiver, and not since the early 2000's. However, the advocates are concerned that, with the increasing rhetoric around work and SNAP benefits, some counties may become newly interested in utilizing the option.

Therefore, these advocates are requesting the following, and have submitted draft trailer bill language to address the following:

1. Remove the ability of a county board of supervisors to opt out of accepting a federal waiver;
2. Authorize self-initiated volunteer work to be performed in order to qualify for the ABAWDS exemption to the maximum extent permitted by federal law; and
3. Require the state to maximize federal exemptions to the ABAWD limit for homeless Californians.

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| STAFF COMMENT AND QUESTIONS |
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The end of the ABAWD waiver raises a host of critical questions affecting food distribution for the projected caseload of 451,812 in 2017-18. The Subcommittee may wish to raise the following questions:

- What are the core state principles that the state will lead with as the waiver expires and how will DSS track its progress and challenges?
- How will DSS determine which counties continue to qualify for a waiver and how will it notify those counties for planning purposes?
- How are counties reacting to the pending waiver expiration and the potential for the imposition of the new work hours and time limit rules?

Staff Recommendation:

Staff recommends holding these proposals open.

ISSUE 4: SUPPLEMENTAL NUTRITION BENEFIT PILOT ADVOCACY REQUEST**PANEL**

- Tracey Patterson, Director of Legislation, California Food Policy Advocates
 - Please present on the advocacy proposal.
- Will Lightbourne, Director, and Kim McCoy Wade, Chief, CalFresh Branch, California Department of Social Services
- Tyler Woods, Department of Finance
- Ryan Woolsey, Legislative Analyst's Office
- Public Comment

ADVOCACY REQUEST

Supplemental Nutrition Benefit Pilot - \$5 million General Fund. A group of twenty organizations, led by the California Food Policy Advocates and including the San Francisco-Marín Food Bank and the Sacramento Regional Coalition to End Homelessness, requests a one-time allocation of \$5 million General Fund to support a three-county supplemental nutrition benefit pilot to bring relief to CalFresh families served by public water systems that fail to meet human consumption standards. The state's CalFresh Electronic Benefit Transfer (EBT) system would deliver time-limited nutrition benefits to mitigate the burden of purchasing water for drinking and cooking for households without safe water.

While past state investments and recent rains have brought significant improvements to the California's water crisis, there are still a number of communities in the state where a long-term solution for safe drinking water is not yet in place. Lack of safe water disproportionately affects residents of California's disadvantaged communities. The State Water Board estimates that roughly 400 disadvantaged communities are served by public water systems that do not meet drinking water standards. While this is a statewide issue, it is felt most acutely in the Central Valley, Sierra Foothills, and Central Coast. In communities where water is chronically contaminated, residents must use bottled water for drinking and cooking. Families in poverty, including those on CalFresh, must use limited grocery dollars to buy water in addition to food, which threatens food security and poses an inequitable hardship.

STAFF COMMENT AND QUESTIONS

The Subcommittee may wish to ask about how the pilot could be evaluated and what efforts/investments it could lead to in the future. The Subcommittee could also ask what other state programs exist to aid in the provision of drinking water to areas of the state in need.

Staff Recommendation:

Staff recommends holding this proposal open.

ISSUE 5: PREVENTING UNINTENDED PREGNANCIES FOR FOSTER YOUTH ADVOCACY REQUEST**PANEL**

- Amy Lemley, Executive Director, John Burton Advocates for Youth
 - Please present on the advocacy proposal.
- Alexis Barries, Student, Sacramento City College
 - Please present on the advocacy proposal.
- Will Lightbourne, Director, California Department of Social Services
- Lia Moore, Department of Finance
- Ryan Woolsey, Legislative Analyst's Office
- Public Comment

ADVOCACY REQUEST

Preventing Unintended Pregnancies for Foster Youth - \$2.88 million General Fund (\$5.95 million Total Funds). In *Our Own Voice*, the Children's Law Center of California, John Burton Advocates for Youth and the National Center for Youth Law request \$2.88 million to reduce the rate of unintended pregnancy among youth in foster care in California. A full 52% of California foster youth have been pregnant at least once by age 19, a number almost 3 times higher than 19-year-olds not in foster care. By age 21, over 1 in 3 young women in foster care will have given birth. Critically, two-thirds of these young people describe their pregnancies as unintended. Research indicates that unplanned pregnancy leads to low-educational attainment for parents and disproportionate participation in the child welfare system for their children. Although California has an important network of laws in place to ensure that adolescents can access contraception and reproductive health services, foster youth face barriers that prohibit them from making access to care a reality.

This proposal includes the following four parts (1) require social workers to document that foster youth receive the state-mandated comprehensive sexual health curriculum provided in public schools; (2) require social workers to document that they have informed foster youth of their reproductive rights, how to access reproductive health care and how to address barriers to access in an age and developmentally appropriate manner; (3) train social workers, caregivers and judges on the reproductive rights of foster youth, how to document sensitive health information and how to engage with youth and nonminor dependents about healthy sexual development; (4) require DSS to develop a curriculum that is consistent with California's Plan for the Prevention of Unintended Pregnancy for Youth and Non-Minor Dependents.

STAFF COMMENT

The Subcommittee may wish to ask about timing of the interconnected pieces of the proposal and how the proposal, particularly the development of guidance from DSS, would implement in 2017-18. The Subcommittee may also wish to ask about state operations implications of the proposal.

Other proposals regarding child welfare services and foster care were heard in the Subcommittee's March 29, 2017 hearing. Please see that agenda for details.

Staff Recommendation:

Staff recommends holding this proposal open.

ISSUE 6: SPRING FINANCE LETTER: HOME CARE SERVICES PROGRAM**PANEL**

- Pat Leary, Chief Deputy Director, and Pam Dickfoss, Deputy Director Community Care Licensing, California Department of Social Services
 - Please present on the resources being requested and the rate changes that are part of the recently received Spring Finance Letter.
- Lia Moore, Department of Finance
- Ginni Bella, Legislative Analyst's Office
- Public Comment

SPRING FINANCE LETTER

The Subcommittee is in receipt of a Spring Finance Letter (SFL) from the Administration requesting an appropriation of \$2,033,000 from the Home Care Services Fund and 14 positions to continue the implementation and administration of the Home Care Services program pursuant to Chapter 790, Statutes of 2013 (AB 1217). The Home Care Services program regulates home care organizations and manages a registry of home care aides. The additional resources are needed to address ongoing workload associated with compliance and background check activities.

DSS states that the initial assumptions regarding the number of applicants were significantly exceeded within the first year, which has resulted in lengthy delays for registering individuals to provide care for the state's most vulnerable clients. Original assumptions estimated applications for approximately 1,000 organizations and 35,000 aides annually. After just one year, DSS has received over 90,000 aide applications and over 1,400 organization applications. As a result, the current resources approved to support this program are insufficient to meet the demands to register home care aides, conduct biennial inspections of home care organizations, and provide due process and technical assistance.

Current law requires the program to be fully fee supported, therefore, in order to support this additional appropriation from the special fund, the Administration states that biennial fees for home care organizations and home care aides will need to be increased by \$638 for home care services companies and \$25 for individuals, respectively, beginning January 1, 2018.

Specifically on the positions, DSS requests to convert 9.5 limited-term positions, currently set to expire June 30, 2017, to permanent ones. DSS also requests an additional 4.5 positions and increased expenditure authority of \$2 million (\$1.8 million ongoing) to enable the department to meet ongoing workload and complete the implementation of the Home Care Services Consumer Protection Act. DSS is also seeking, as part of this overall request, \$100,000 on a one-time basis for an interactive

voice response telephone system to address current and ongoing workload. Additionally, to meet the mandated licensing visits (at least once in the two-year licensure period), travel expenses of \$243,000 will incur annually.

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| STAFF COMMENTS AND QUESTIONS |
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Staff suggests that the Subcommittee request that DSS respond to the following questions in writing by May 1, 2017. The Subcommittee may wish to also pose these questions to the department in the course of the hearing.

- Can the Administration provide a display of personal resources devoted to the implementation of AB 1217 currently and accounting for the increases positions reflected in the SFL?
- Can the Administration please provide a display showing the current levels of the fees that are intended to be increased as a result of this proposal and what they are proposed to increase to starting January 1, 2018?
- Is trailer bill language needed and being proposed to effectuate the fee increase?
- How was the fee increase calculated and what portion of the resources required is the fee increase paying for?
- Have the fee increases and the rationale for them been vetted with affected stakeholders? When and how?
- It is unclear how or if the travel expenses are augmented and necessitated by the staffing increases implicit in the request, or if they are added due to another circumstance. If they are added, to what existing travel budget are they added? Please clarify.

Staff Recommendation:

Staff recommends holding this Spring Finance Letter open pending receipt of the information requested in the staff comments section and upon further consideration of the Subcommittee.