AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER TONY THURMOND, CHAIR

WEDNESDAY, APRIL 22, 2015
3:00 P.M. - STATE CAPITOL ROOM 444

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ITEMS TO BE HEARD

5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE 1: UPDATED TRAILER BILL PROPOSAL ON EMPLOYMENT DEVELOPMENT DEPARTMENT DATA SHARING

PANEL

- Pete Cervinka, Department of Social Services
  - Please present briefly on the updated trailer bill language.
- Department of Finance
- Legislative Analyst's Office
- Public Comment

PROPOSAL DESCRIPTION AND BACKGROUND

This Governor's Budget trailer bill proposal would provide specific statutory authority for the Employment Development Department (EDD) to share data with federal, state, or local government departments or agencies, or their contracted agencies as necessary to support the administration of public social services. The language has been reviewed within the administration across the Department of Social Services (DSS) and EDD, and the Subcommittee is in receipt of updated language that addresses concerns raised earlier in the process. In addition, the federal Department of Labor has expressed their support in written correspondence to DSS.

In 1996, DSS executed a contractual agreement to acquire data from EDD for confidential wage and Unemployment Insurance (UI) claim information files for current and/or former public assistance and program recipients of the California Work Opportunity and Responsibility to Kids (CalWORKs), CalFresh, Medi-Cal, Foster Care, Supplemental Security Income and In-Home Supportive Services programs. This basic three-year agreement has been in place and continuously renewed without significant changes since that time. The contract was recently renewed effective July 1, 2014 through June 30, 2017. The current contract includes 11 projects, including subcontracted projects.

Under this contract, DSS electronically submits lists of Social Security Numbers (SSNs) to match with EDD databases. The output data from EDD provides employer-reported quarterly earnings for nearly 95 percent of all California employment. The EDD data allows DSS to create statistical analyses that are used for internal research, budget development, performance monitoring and program evaluation. DSS also allows the use of EDD data for other projects where DSS contracts with an independent evaluator or county welfare department who has been approved for re-disclosure of the data by

EDD. These entities include the University of California Berkeley and the RAND Corporation.

From 1999 to 2009, CDSS received data from EDD on California employers via electronic copies of the Quarterly Census of Employment and Wages (QCEW). This data was linked to wage information for CalWORKs and other DSS program participants' in order to help understand key factors of labor demand and produce numerous research reports. In 2009, EDD did not renew the agreement citing the lack of legal authority to share this data with DSS. Clear statutory authority requiring EDD to provide this data for evaluation, research and forecasting purposes would allow DSS to regenerate research reports that will inform DSS and counties in the development and implementation of social service programs.

Existing statute limits the use of EDD data to only verification and eligibility purposes. Current statute does not address data sharing for evaluation, research, budget development and forecasting purposes. However, general statutory authority under Unemployment and Insurance Code Section 322 allows EDD to have the discretion to share any data with other government entities as necessary. The current contract has primarily relied upon this general statutory authority, allowing EDD the discretion to provide DSS with earnings data as specified in the contract. For data that is used for current DSS evaluations, research, forecasting, and budgeting purposes, EDD has recommended that specific statutory authority be provided rather than reliance on their discretion provided by general statutory authority. The proposed trailer bill rectifies this.

There are no additional costs or specific premise associated with this issue. The costs charged to CDSS for its existing data sharing agreement are supported by existing administrative costs budgeted for each program. The current inter-agency data sharing agreement between EDD and CDSS is a three-year contract for approximately $89,000. The administration states that there may be an increased cost to the current contract with EDD to provide QCEW data. The previous contract that allowed QCEW data sharing included a cost of $1,400 for six months. However, this cost would be a result of any future research and evaluation requirements that necessitate the use of employment data.

No unresolved concerns or issues that the Subcommittee is aware of have been raised with this proposal.

Staff Recommendation:

Staff recommends holding this issue open.

ISSUE 2: SPRING FINANCE LETTER: IMPLEMENTING CHILD VICTIMS OF HUMAN TRAFFICKING REQUIREMENTS

PANEL

- Greg Rose, Department of Social Services
  - Please present briefly on the Spring Finance Letter from DSS.
- Department of Finance
- Legislative Analyst's Office
- Public Comment

PROPOSAL DESCRIPTION AND BACKGROUND

The Subcommittee is in receipt of this Spring Finance Letter from DSS. The request for resources is described below and DSS has been asked to present briefly on this. The Subcommittee heard the issues related to the Commercially Sexually Exploited Children (CSEC) Program at its March 18, 2015 hearing. Please see that agenda for more information on CSEC.

DSS requests resources to support implementation of the CSEC Program as required under Senate Bill (SB) 855 (Chapter 29, Statutes of 2014) and the Preventing Sex Trafficking and Strengthening Families Act of 2014 (PL 113-183), a recently enacted federal law. The Child Welfare Policy and Program Development Bureau (CWPPDB) requests two permanent (2.0) Associate Governmental Program Analysts (AGPA) for human trafficking activities, at a total cost of $232,000 ($174,000 General Fund). These resources will perform the statewide development, implementation, coordination, contract management, grant management, technical assistance, and oversight of work related to the reduction of human trafficking and providing services to the children victims of human trafficking.

These resources will develop and continue a statewide coordination by engaging nonprofits, service providers, local social service agencies, law enforcement, and health and mental health agencies in the development of state policies, program guidelines for services to children and youth at risk of, or victimized by, commercial sexual exploitation. In applying these resources conscientiously, and working with counties, the department will be able to provide a credible and comprehensive legislative report due in April 2017 and complete federal data reporting requirements. The requested resources are needed to support county programs that will provide prevention activities, intervention activities, and services to children who are victims, or at risk of becoming victims, of commercial sexual exploitation and participation of state staff in the Child Labor Trafficking Work Group.

Implementation of SB 855, PL 113-183, and the directive for the child labor trafficking work group has created significant and ongoing workload that cannot be absorbed by current CWPPDB personnel. The administration states that additional state staff is needed to provide oversight, management and guidance statewide to ensure the development, implementation, and continued monitoring of new federal and state mandates for policies, procedures and training to identify, document and serve children and youth who are at risk of, or victimized by commercial sexual exploitation.

The workload resulting from new state and federal sex trafficking legislation cannot be added to existing CWPPDB personnel workload without severely impacting CWPPDB's ability to provide management and oversight of these funds. If the CWPPDB failed to provide proper management, oversight, and reporting on these state and federal funds, it could result in penalty fines, Program Improvement Plans for the IV-B and CAPTA state plans, inability to fulfill promised activities in the California Child and Family Services Plan 2015-2019 (available upon request) and a potential loss of certain federal funding for state and county child welfare programs.

No issues have yet been raised with this proposal.

Staff Recommendation:

Staff recommends holding this issue open.

ISSUE 3: ADVOCATE PROPOSAL IN CHILD WELFARE/FOSTER CARE

PANEL

- Angie Schwartz, Alliance for Children's Rights
- Pete Cervinka and Greg Rose, Department of Social Services
- Department of Finance
- Legislative Analyst's Office
- Public Comment

PROPOSAL DESCRIPTION AND BACKGROUND

The Subcommittee heard from various child welfare and foster care advocates at its March 18, 2015 hearing regarding proposals and requests for funding. The Subcommittee is in receipt of this additional request, which has been included for discussion at this hearing.

Ensuring Equity Under Foster Family Placements - $15 million. The Alliance for Children's Rights, Public Counsel, and Children Now are requesting funding associated with expanding the use of a Specialized Care Increment (SCI) to all foster care placements. The advocates explain that current law prevents some foster families from receiving the funding they need to support youth with specialized needs. The overarching problem is only children who receive AFDC-FC benefits are eligible to receive specialized care increments. Children who receive Approved Relative Caregiver (ARC) benefits and foster children who receive CalWORKs are foster youth, but they are not "AFDC-FC children" and thus are excluded from receiving these additional benefits. In addition, current law prevents children placed through a Foster Family Agency from receiving the specialized funding, and instead provides these families with a flat child increment of $189 a month in addition to the basic rate irrespective of the needs of the child.

The advocates urge the Legislature to remove the statutory barriers that prevent some of our foster families from receiving the funding they need to support youth with specialized needs. The system relies on relatives and other individuals to step up to provide the support, day-to-day care, and supervision that our foster children need and to allow these children to be raised in a home as opposed to an institution. Yet, under current law, the funding available to support our foster families is inconsistent across family placements and divorced from the needs of the child. The $15 million General Fund appropriation is intended to assist counties with absorbing the costs of extending the SCI to additional placements.

Staff Recommendation:

Staff recommends holding this issue open.

4170 CALIFORNIA DEPARTMENT OF AGING

ISSUE 1: SPRING FINANCE LETTERS

PANEL

- Lora Connolly and Ed Long, California Department of Aging
  - Please present briefly on each of the Spring Finance Letters covered under this Issue.
- Department of Finance
- Legislative Analyst's Office
- Public Comment

PROPOSAL DESCRIPTION AND BACKGROUND

The Subcommittee is in receipt of three Spring Finance Letters from the California Department of Aging (CDA). These are described below and CDA has been asked to present briefly on each. The Subcommittee heard the CDA budget issues at its March 9, 2015 hearing.

1. **Medicare Improvements for Patients and Providers Act 2014 Grant.** CDA is requesting $2.916 million in federal budget authority over four state fiscal years as follows: $975,000 ($878,000 in local assistance, $97,000 in state operations) in 2015-16; $1 million ($900,000 in local assistance, $100,000 in state operations) in 2016-17; and $300,000 ($270,000 in local assistance, $30,000 in state operations in 2017-18. Authority for an additional $641,000 in the current year is being requested through the Section 28 process.

   CDA is requesting state operations federal spending authority to meet the additional workload related to this grant. CDA will use the grant funds to pay for portions of existing positions (SSM II, 0.1 PY, APA II, 0.2 PY, and AGPA, 0.1 PY). The staff work related to the administration of this grant over the four state fiscal years requires approximately 1,400 hours. Additionally, CDA requests to fund the administrative activities of local assistance allocation, contract administration, and federal compliance and reporting of this grant over the four state fiscal years. No new positions are being requested by this Spring Finance Letter

   CDA will distribute these Medicare Improvements for Patients and Providers Act (MIPPA) grant funds to Area Agencies on Aging (AAAs), which will then subcontract a portion or all of their funds to Health Insurance Counseling and Advocacy Programs (HICAP) and Aging and Disability Resource Centers (ADRCs, where the "C" stands for Connections in California). These contractors will use the funds to provide outreach and assistance to individuals, including those who live in rural areas, as well as to beneficiaries with limited income who may be eligible for the low-income subsidy program (LIS), Medicare Savings Program, and Medicare Prescription Drug Coverage. No state match is required for this grant. The grant period extends from September 30, 2014, through September 29, 2017 over three federal fiscal years.

CDA is also requesting provisional budget language to allow carryover of unspent prior year local assistance funds into the following state fiscal year for the duration of the grant. The MIPPA grant is 100 percent federally funded with no state match required.

Authority Request by Fiscal Year

	2014-15*	2015-16	2016-17	2017-18	Total
State Operations	63,000	97,000	100,000	30,000	**290,000**
Local Assistance	578,000	878,000	900,000	270,000	**2,626,000**
Total	**641,000**	**975,000**	**1,000,000**	**300,000**	**2,916,000**

*Expenditure authority for FY 2014-15 will be obtained through the Section 28 process

2. **Aging and Disability Resource Connection Program.** CDA requests extension of the Aging and Disability Resource Connection (ADRC) program for the next five years. CDA will use its existing federal grant funding along with federal Money-Follows-the-Person (MFP) funds available from the Department of Health Care Services (DHCS) to support the program. This proposal also includes funding in 2015-16 from the State Independent Living Council (SILC) to address ADRC activities that benefit Veterans. CDA requests extension of 2.5 five-year limited-term positions and reimbursement authority, which is required to collect federal funds from DHCS and SILC facilitated by Interagency Agreements. This request does not result in a General Fund increase.

Budget Authority Request by Fiscal Year

Funding Request	BY 2015-16	2016-17 & Ongoing
CDA **(Non-Add Authority)**	143,000	143,000
Reimbursement Funds	330,000	337,000
DHCS *SILC*	*248,000* *82,000*	*337,000* -
Total	**473,000**	**480,000**

CDA administers programs that serve older adults, adults with disabilities, family caregivers, and residents in long-term care facilities throughout the State. The Department administers funds allocated under the federal Older Americans Act (OAA), the Older Californians Act, and through the Medi-Cal program. As the number of older people increases with the aging of the baby boom population, the need for a wide spectrum of services is placing pressure on the aging services network. After careful consideration of ADRC's mission, CHHS, DHCS, DOR, and CDA determined that CDA is best suited to administer the ADRC program because its mission is to promote independence and well-being of older adults and adults with disabilities; the ADRC program is authorized under the federal Older Americans Act, which is administered by CDA; and, CDA is currently able to contribute a portion of that funding to the program. The Legislature approved the 2014-15 budget proposal to move the program to CDA.

The ADRC model is a voluntary local initiative that is implemented by local aging and disability network organizations. In California, ADRCs have at their core a partnership between AAAs and ILCs, and then a broad array of LTSS community service providers. ADRC partners' shared vision is to empower consumers to consider all options, make informed decisions, and access community LTSS that help them meet their personal goals for independence. The object is also to improve access to existing services rather than create yet another parallel system of services.

ADRCs are intended to be a highly visible and trusted resource in the community where people can turn for information on the full range of LTSS options and a single (or coordinated) entry point for public LTSS and benefits. These Centers are a resource for both public and private pay individuals and they serve older adults, younger adults with disabilities, and family caregivers, as well as persons preparing for future LTSS needs. Many of the individuals who contact the regional ADRCs are looking for HCBS resources; but, many are also trying to understand the different types of out-of-home care options, including residential (assisted living) and skilled nursing care.

Currently, six ADRC partnerships serve six counties (i.e., Alameda, Nevada, Orange, Riverside, San Diego, and San Francisco). A seventh, formerly designated partnership serving Butte, Colusa, Glenn, Plumas and Tehama Counties is pending re-designation. There are also additional partnerships in the developing stages in Contra Costa, Marin, Monterey, San Benito, Santa Cruz, Ventura and Yolo Counties

3. **Supplemental Nutrition Assistance Program Education (SNAP-Ed) Program Extension.** CDA requests expenditure authority for $3.75 million in federal SNAP-Ed reimbursement funds and the extension of 2.0 limited-term positions across four state fiscal years to facilitate the continuation of a federal SNAP-Ed grant. The 2015-16 portion of the request is for $950,000 ($302,000 state operations, $648,000 in local assistance). CDA will receive these funds through an interagency agreement with DSS. The SNAP-Ed program provides nutrition education and obesity prevention activities targeted to low-income adults aged 60 and older. CDA will administer grant activities and distribute funding for SNAP-Ed interventions through local Area Agencies on Aging (AAAs). No state match is required for this grant.

CDA requests the extension of 2.0 limited-term positions (1.0 Aging Program Analyst II and 1.0 Associate Governmental Program Analyst)* for four state fiscal years (three federal fiscal years) to continue to support SNAP-Ed administration and oversight.

Reimbursement Authority Request by Fiscal Year

	2015-16*	2016-17	2017-18	2018-19	Total
State Operations	302,000	361,000	367,000	89,000	**1,087,000**
Local Assistance	648,000	889,000	883,000	211,000	**2,663,000**
Total	**950,000**	**1,250,000**	**1,250,000**	**300,000**	**3,750,000**

*[Please note that the fiscal detail display attached to this proposal shows 1.8 instead of the full 2.0 positions in Budget Year. This is because 3 months of the APA II was approved through the 2014-15 budget process for the first SNAP-Ed grant and so is included in the 15-16 Governor's Budget. The AGPA was established mid-year 2014-15.]

As the designated State Unit on Aging, CDA currently administers the Older Americans Act (OAA) Title IIIC Elderly Nutrition Program through its statewide network of 33 AAAs and their service providers. This program helps older adults remain independent and in their communities by assisting them to meet their need for healthy food. It targets older individuals who are in greatest economic or social need, and gives particular attention to low-income, minority older individuals, and older individuals living in rural areas. The Nutrition Program's purpose is to improve participants' dietary intakes. Nutrition programs provide quarterly nutrition education, nutrition risk screening and, in some areas, nutrition counseling. Since adequate nutrition is critical to health, functioning, and the quality of life, the nutrition program is an important component of home and community-based services for older adults.

No issues have yet been raised with these proposals.

Staff Recommendation:

Staff recommends holding these Spring Finance Letters open.