

AGENDA – PART B**ASSEMBLY BUDGET SUBCOMMITTEE NO. 1
ON HEALTH AND HUMAN SERVICES****ASSEMBLYMEMBER DR. JOAQUIN ARAMBULA, CHAIR****TUESDAY, MAY 23, 2017
2:30 P.M. - STATE CAPITOL, ROOM 4202**

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VOTE-ONLY CALENDAR

5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE 1: CALWORKS SINGLE ALLOCATION

BACKGROUND

Changes proposed to the CalWORKs Single Allocation were heard by the Subcommittee on May 3, 2017 and May 15, 2017. Please see those agendas for background and details on the Governor's proposals, advocate feedback, and analysis on this issue.

Recommended Subcommittee Action:

This action has two parts:

- 1. Appropriate \$140 million General Fund (one-time) to augment the CalWORKs Single Allocation. This action assumes adoption of the \$55 million in caseload savings identified by the Legislative Analyst's Office (LAO).**
- 2. Adopt the following trailer bill language to require a revised methodology that smooths the sharp fluctuations in the Single Allocation as the CalWORKs caseload changes while providing the resources necessary for counties to effectively deliver services (this language corresponds to language covered in the next issue):**

SEC. X. Section XXXXX.X is added to the Welfare and Institutions Code, to read:

(a) The State Department of Social Services shall work with the representatives of county human services agencies and the County Welfare Directors Association to develop recommendations for revising the methodology used for development of the CalWORKs Single Allocation annual budget. As part of the process of developing these recommendations, advocates and organizations that represent county workers shall be consulted.

(1) Recommendations for initial changes to the methodology for development of the CalWORKs Single Allocation for the 2018-19 fiscal year shall be made to the Legislature by January 10, 2018.

(2) Recommendations for additional changes to the methodology for the 2019-20 and subsequent fiscal years shall be made to the Legislature by October 1, 2018.

(b) The department, in consultation with representatives of county human services agencies and the County Welfare Directors Association, may consider additional changes to the methodology for development of the CalWORKs Single Allocation for any future fiscal year consistent with and in support of counties meeting the performance indicators developed for the CalWORKs Outcome and Accountability Review pursuant to Section XXXXX.

ISSUE 2: CALWORKS OUTCOMES AND ACCOUNTABILITY**BACKGROUND**

This proposal was heard in the context of the CalWORKs issues on May 3, 2017.

Recommended Subcommittee Action:

Adopt the following trailer bill language to create a CalWORKs Outcomes and Accountability effort that will assist with evaluating the strengths and areas for improvement in the program over time.

SECTION 1. The Legislature finds and declares all of the following:

- (a) The CalWORKs program was established in 1997 (AB 1542, Chapter 270, Statutes of 1997) after the passage of the federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, which established lifetime limits on assistance, expectations of recipients to engage in work or work-like activities, and state level participation rate requirements. While many changes have been made to the CalWORKs program over the past two decades, these fundamental components remain in place at both the federal and state level.
- (b) In the years since CalWORKs was established, much has been learned about the far-reaching impacts of poverty on children, adults, and families, and the Legislature has taken actions to develop services and supports within CalWORKs intended to support families in reaching self-sufficiency and mitigating the effects of poverty. However, there has never been a systematic approach to examining the program's operations and efficacy.
- (c) It is the intent of the Legislature to reduce deep poverty in California, in part, through the provision of high quality, effective welfare-to-work services in the CalWORKs program.
- (d) It is the intent of the Legislature to establish an outcomes and accountability review process in the CalWORKs program that will serve to provide information on key indicators that can be used to evaluate the performance of the program toward the overarching objective of family self-sufficiency, create a framework for rigorous self-assessment, and foster continuous quality improvement in the program. Furthermore, it is the intent of the Legislature that this process be inclusive, comprehensive, and transparent in order to establish local and state accountability for the performance of the program.

SEC 2. This act shall be known and may be cited as the CalWORKs Outcomes and Accountability Act of 2017.

SEC 3. Section XXXXX.X is added to the Welfare and Institutions Code, to read:

XXXXX.X. (a) The State Department of Social Services shall establish, by July 1, 2019, the California CalWORKs Outcomes and Accountability Review (Cal-OAR) to facilitate a local accountability system that fosters continuous quality improvement in county CalWORKs programs and the dissemination by the State Department of Social Services of best practices in welfare-to-work service delivery. The CalWORKs Outcomes and Accountability Review shall cover CalWORKs services provided to recipients, including those who are in sanction or exempt status or who are unengaged, and shall include those programmatic elements that each county offers as part of its welfare-to-work service array as well as any local program components, and shall consist of performance indicators, a county self-assessment process, and a county welfare-to-work system improvement plan.

(b)(1)(A) By October 1, 2017, the State Department of Social Services shall convene a workgroup comprised of representatives from the county human services departments, Legislative staff, interested welfare advocacy and research organizations, current and former CalWORKs recipients, the County Welfare Directors Association, the California State Association of Counties, and any other state departments or agencies the CDSS deems necessary. The workgroup shall establish a workplan by which the CalWORKs Outcomes and Accountability Review shall be conducted, pursuant to the provisions described in this section, including a process for qualitative peer reviews of counties' CalWORKs welfare-to-work programs.

(B) The Department shall report annually to the Senate and Assembly human services budget subcommittees during the budget process with an update on the schedule for development of and future changes to the Cal-OAR system.

(2) At a minimum, in establishing the work plan, the workgroup shall consider existing welfare-to-work performance indicators being measured, additional and/or alternative process and outcome indicators to be measured, development of uniform elements of the county self-assessment and welfare-to-work system improvement plans, timelines for implementation, recommendations for reducing the existing welfare-to-work data reporting burden in light of new requirements established by this Act and the resulting CalWORKs Outcome and Accountability Review, recommendations for financial incentives to counties for achievement on performance measures, and an analysis of the county and state workload associated with implementation of the requirements of this section.

(c) The CalWORKs Outcomes and Accountability Review shall consist of three components: performance indicators, a county CalWORKs self-assessment, and a county CalWORKs system improvement plan.

(1)(A) The CalWORKs Outcomes and Accountability Review performance indicators shall be consistent with programmatic goals for the CalWORKs program, and shall include both process and outcome measures. These measures shall be established in order to provide baseline and ongoing information about how the state and counties are performing over time and inform and guide each county human services department's CalWORKs self-assessment and CalWORKs system improvement plan.

(i) Process measures shall include measures of participant engagement, welfare-to-work service delivery, and participation. Specific process measures shall be established by the workgroup and may include measures of engagement as shown by improvement in program participation, timeliness of service provision, rates of utilization of program components such as vocational education, and referrals and utilization of services based upon OCAT recommendations.

(ii) Outcome measures shall include measures of employment, educational attainment, program exits, and program recidivism, and may include other indicators of family well-being as determined by the workgroup.

(B) Performance indicator data available in county data systems shall be collected by counties and provided to the State Department of Social Services, and performance indicator data available in state department data systems shall be collected by the State Department of Social Services and provided to the counties. These data shall be reported in a manner and schedule to be determined by the workgroup, but no less frequently than semi-annually.

(C)(i) During the first three-year Cal-OAR cycle, performance indicator data as reported by each county shall be used to establish both county and statewide baselines for each of the process measures. After the first review cycle, the department shall, in consultation with stakeholders, establish standard target thresholds for each of the process measures established by the workgroup.

(ii) The department, in consultation with stakeholders, shall develop a process for resolving any disputes regarding the establishment of standard process thresholds pursuant to clause (i) of this subparagraph.

(D) For subsequent reviews and based upon availability of additional data from enhancements to the Statewide Automated Welfare Systems or through interagency data sharing agreements, the workgroup shall convene as necessary to consider whether to establish additional performance indicators that support the programmatic goals for the CalWORKs program. Any additional performance indicators established shall also be subject to the process described in subparagraph (C) and include consideration of when data on the additional performance indicators would be available for reporting, if not already available.

(E) If, during subsequent reviews, it is thought that there is sufficient reason to establish statewide performance standards for one or more outcome measures, the department may, in consultation with stakeholders, establish such standards for each of the agreed-upon outcome measures. In making a determination as to whether there is sufficient reason to establish standard performance expectations for any outcome measure, the department shall consider whether all counties could be reasonably expected to meet such standards given local variability in employment opportunities, availability of services, demographics, educational opportunities, and funding, among other things.

(2)(A) The county CalWORKs self-assessment component of the CalWORKs Outcomes and Accountability Review, as established by the workgroup, shall require the county human services departments to assess their performance on the established process and outcome measures that comprise the performance indicators, identify the strengths and weaknesses in their current practice and resource deployment, identify and describe how local operational decisions and systemic factors affect welfare-to-work program outcomes, and consider areas of focus that may be included in the system improvement plan as described in paragraph (3) of this subdivision. It shall be designed to identify areas of best practices for replication and for system improvement at the county level, and shall guide the development of the county CalWORKs system improvement plan as described in paragraph (3) of this subdivision.

(B)(i) The county CalWORKs self-assessment shall be completed every three years by the county in consultation and collaboration with local stakeholders and submitted to the State Department of Social Services.

(ii) Local stakeholders shall include county CalWORKs administrators, supervisors, and caseworkers; CalWORKs recipients; and county human services department partners. Specific county human services department partners shall be determined by the county and may include, for example, community colleges, adult education providers, providers of services for survivors of domestic violence, the local workforce board, tribal organizations, the local housing continuum of care, county behavioral health departments, county drug and alcohol programs, community-based service providers, organizations that represent CalWORKs clients, and child care resource and referral and alternative payment programs, as appropriate.

(3)(A) The county CalWORKs system improvement plan shall consist of uniform elements to be developed by the workgroup established in subdivision (b) of this section. It shall, at a minimum, describe how the county will improve its CalWORKs program performance in strategic focus areas based upon information learned through the county self-assessment process. The county CalWORKs system improvement plan shall be approved by the county's Board of Supervisors/chief elected official and submitted to the State Department of Social Services.

(i) The county CalWORKs system improvement plan shall be completed every three years by the county, approved by the county's Board of Supervisors of chief elected official, and be submitted to the State Department of Social Services.

(B) The county CalWORKs system improvement plan shall include a peer welfare-to-work program review element, the purpose of which will be to provide additional insight and technical assistance by peer counties for each county's welfare-to-work system.

(C) Strategic focus areas for the county CalWORKs system improvement plan shall be determined by the county, informed by the county self-assessment process as described in paragraph (2) with targets for improvement based upon what is learned in the county self-assessment process.

(D) The county human services department shall complete an annual progress report on the status of its system improvement plan and shall submit these reports to the State Department of Social Services. The workgroup established in section (b) shall develop uniform elements of the progress report.

(d) (1) The State Department of Social Services shall receive, review, and based on its determination of the plan meeting the standards identified in (3)(A) above, certify as complete all county-submitted performance indicator data, county self-assessments, system improvement plans, and annual progress reports, and shall identify and promote the replication of best practices in welfare-to-work service delivery to achieve the established process and outcome measures.

(2) The department shall monitor, on an ongoing basis, county performance on the measures developed pursuant to subdivision (c).

(3) The department shall make data collected pursuant to this section publicly available on its website.

(4) The department shall on an annual basis submit a report to the Legislature that summarizes county performance on the established process and outcome measures during the reporting period, analyzes county performance trends over time, and makes findings and recommendations for common CalWORKs welfare-to-work system improvements identified in the county self-assessments and county system improvement plans, including information on common statutory, regulatory, or fiscal barriers identified as inhibiting system improvements and any recommendations to overcome those barriers.

(5)(A) The department shall facilitate the provision of, and provide as appropriate, technical assistance to county human services departments as part of the peer welfare-to-work program review that support the county's selected areas for improvement as described in its system improvement plan.

(B) If, in the course of its review of county system improvement plans and annual updates, or, in the course of its review of regularly submitted performance indicator data, the department determines that a county is consistently failing to make progress toward its strategic focus areas for improvement or is consistently failing to meet the process measure standard target thresholds established pursuant to subdivision (c)(1)(C), it shall engage the county in a process of targeted technical assistance and support to address and resolve the identified shortcomings. If, after such assistance is provided, the county continues in its failure to meet its goals or performance thresholds, the department may engage corrective action with the county.

ISSUE 3: CALWORKS HOME VISITING AND DIAPER ASSISTANCE**BACKGROUND**

These proposals were heard by the Subcommittee on May 3, 2017.

Recommended Subcommittee Action:

Approve \$100 million General Fund on-going for the following two purposes:

1. Create a CalWORKs Baby Wellness and Family Support Home Visiting Program with placeholder trailer bill language as follows:

SECTION 1. Article 3.7 (commencing with Section 11337) is added to Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, to read:

Article 3.7. Baby Wellness and Family Support Home Visiting Program

11337. (a) The Legislature hereby establishes the CalWORKs Baby Wellness and Family Support Home Visiting Program in the State Department of Social Services as a voluntary CalWORKs home visiting program to serve recipients of aid under this chapter for the purpose of supporting positive health outcomes for pregnant women and infants born into poverty, expanding their future educational, economic, and financial capability opportunities, and improving the likelihood that they will exit poverty. The program is intended to provide high-quality, evidence-based, culturally competent services that meet the needs of at-risk assistance units, including those in underserved, rural, tribal, impoverished, and other communities.

(b) The state shall allocate funds to counties for the purpose of administering the CalWORKs Baby Wellness and Family Support Home Visiting Program, to provide voluntary home visiting services to any CalWORKs assistance units with a pregnant recipient or a child 24 months of age or younger. Participation in this program shall not be considered a condition of CalWORKs eligibility. Assistance units receiving home visiting services need not be eligible for or required to participate in the welfare-to-work program established pursuant to Article 3.2 (commencing with Section 11320). Participation in a home visiting program shall not affect a family's application for aid or eligibility for any other CalWORKs benefits, supports, or services, including, but not limited to, welfare-to-work exemptions pursuant to subdivision (b) of Section 11320.3, good cause for not participating pursuant to subdivision (f) of Section 11320.3, participating in housing support services pursuant to Article 3.3 (commencing with Section 11330), or participating in family stabilization pursuant to Section 11325.24.

(c) Home visiting participation is a voluntary program to provide needed services and constructive interventions for CalWORKs families with a child 24 months of age or younger. A parent shall not be sanctioned in connection with his or her participation or nonparticipation in this program. A parent may decline or terminate home visiting services offered pursuant to this section at any time with no adverse effect on his or her CalWORKs application or case.

(d) (1) The entity providing home visiting services shall advise a parent or assisted caretaker of his or her right to opt into the program in writing via an opt-in document. The parent or assisted caretaker shall sign and receive a copy of his or her signed opt-in document.

(2) The department shall develop the content of the opt-in document described in paragraph (1). The opt-in document shall include information about the process to terminate the home

visiting services, and shall explain that the parent or assisted caretaker can refuse the home visiting services at any time, that refusing or terminating the home visiting services shall not result in a penalty or sanction, and that participation in the program shall not be considered a condition of CalWORKs eligibility.

(e) (1) (A) Counties shall identify eligible assistance units pursuant to this section and shall invite them to participate in the program. For those who decide to participate, the program shall provide evidence-based home visiting program services.

(B) "Evidence-based home visiting program" means a program that met or would meet the criteria approved by the United States Department of Health and Human Services for evidence-based home visiting program models.

(2) (A) Home visiting services shall only be those intended to achieve the goals established in subdivision (a) and that are provided in the home of an assistance unit. Home visiting services shall only be provided by a registered nurse, nurse practitioner, a social worker, or another person who is able to provide culturally appropriate services and who is trained and certified according to the criteria of the evidence-based home visiting program utilized.

(B) A "home" is defined in this section as a temporary or permanent residence or living space, or another location identified by the assistance unit in the case that the assistance unit is homeless.

(3) (A) Home visiting services and visits shall never be mandatory, random, or unannounced.

(B) Home visits shall not be conducted by personnel that do not meet the qualifications described in paragraph (2).

(f) Funds allocated to counties for this home visiting program may be used by counties to implement the program or to contract with voluntary home visiting programs that meet the criteria established by this section. These funds may also be used to coordinate early home visiting services with child education and development programs, health and safety services, lead testing and abatement services, housing assistance, diaper bank services, family financial capability services, and other services that would meet the intent of the CalWORKs Baby Wellness and Family Support Home Visiting Program, as established in subdivision (a).

(g) The department shall develop and disseminate an informing notice, to ensure that all assistance units that include a pregnant recipient or a child 24 months of age or younger are aware of the program and their ability to participate. The department shall develop written criteria for eligibility and provision of services consistent with this section. These notices and written criteria shall be developed in consultation with stakeholders, including appropriate legislative staff, the Western Center on Law and Poverty, and the County Welfare Directors Association, and shall be disseminated to counties, with training on the identification of potentially eligible assistance units and appropriate outreach provided to county staff prior to the effective date of program implementation.

(h) The department shall collect data from counties related to the outcomes of participants and children by race, ethnicity, national origin, primary and secondary language, and county. The data shall include program outcomes for the parents and children served in the program and these data components shall be developed in consultation with stakeholders, including appropriate legislative staff, State Department of Health Care Services and State Department of Public Health home visiting program administrators, the Western Center on Law and Poverty, and the County Welfare Directors Association. This data shall be compiled and distributed to the appropriate policy and fiscal committees of the Legislature by January 30 of each year.

(i) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the department may implement this section by all-county letters or similar instructions

until regulations are adopted. The department shall adopt regulations to implement this section by October 1, 2019.

- 2. Creation of a Diaper Assistance Benefit in the CalWORKs benefit, starting April 1, 2018 to allow for start-up time. This is estimated to cost \$3.6 million General Fund in 2017-18 and \$13 million on-going. Assuming 50 percent of eligible families participating, including CalLearn parents, approximately 28,325 infants and toddlers would receive diaper assistance under this proposal. Placeholder trailer bill language associated with this is adopted as follows:**

SECTION 1. Section 11323.2 of the Welfare and Institutions Code is amended to read:

11323.2. (a) Necessary supportive services shall be available to every participant in order to participate in the program activity to which he or she is assigned or to accept employment or the participant shall have good cause for not participating under subdivision (f) of Section 11320.3. As provided in the welfare-to-work plan entered into between the county and participant pursuant to this article, supportive services shall include all of the following:

(1) Child care.

(A) Paid child care shall be available to every participant with a dependent child in the assistance unit who needs paid child care if the child is 10 years of age or under, or requires child care or supervision due to a physical, mental, or developmental disability or other similar condition as verified by the county welfare department, or who is under court supervision.

(B) To the extent funds are ~~available~~ available, paid child care shall be available to a participant with a dependent child in the assistance unit who needs paid child care if the child is 11 or 12 years of age.

(C) Necessary child care services shall be available to every former recipient for up to two years, pursuant to Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code.

(D) A child in foster care receiving benefits under Title IV-E of the federal Social Security Act (42 U.S.C. Sec. 670 et seq.) or a child who would become a dependent

child except for the receipt of federal Supplemental Security Income benefits pursuant to Title XVI of the federal Social Security Act (42 U.S.C. Sec. 1381 et seq.) shall be deemed to be a dependent child for the purposes of this paragraph.

(E) The provision of care and payment rates under this paragraph shall be governed by Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code. Parent fees shall be governed by subdivisions (g) and (h) of Section 8263 of the Education Code.

(2) Diaper costs.

(A) On and after April 1, 2018, a participant who is making satisfactory progress in a welfare-to-work plan shall be eligible for thirty dollars (\$30) per month to assist with diaper costs for each dependent child who is under 36 months of age.

(B) The department shall adopt regulations by January 1, 2020, to implement this subparagraph. Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the department shall implement this subparagraph through all-county letters until regulations are adopted.

(2)

(3) Transportation costs, which shall be governed by regional market rates as determined in accordance with regulations established by the department.

(3)

(4) Ancillary expenses, which shall include the cost of books, tools, clothing specifically required for the job, fees, and other necessary costs.

(4)

(5) Personal counseling. A participant who has personal or family problems that would affect the outcome of the welfare-to-work plan entered into pursuant to this article shall, to the extent available, receive necessary counseling or therapy to help him or her and his or her family adjust to his or her job or training assignment.

(b) If provided in a county plan, the county may continue to provide case management and supportive services under this section to former participants who become employed. The county may provide these services for up to the first 12 months of employment to the extent they are not available from other sources and are needed for the individual to retain the employment.

Staff is directed to work with the Department of Finance in accounting for any reasonable state operations costs associated with these investments. Funding for any state operations costs associated with this proposal should be drawn from the \$100 million referenced above.

ISSUE 4: ONLINE CLIENT ASSESSMENT TOOL (OCAT) AUTOMATION INTEGRATION**BACKGROUND**

This proposal to provide the resources to integrate the Online Client Assessment Tool (OCAT) into the Statewide Automated Welfare System (SAWS) was heard by the Subcommittee on May 3, 2017. The funding for this integration was removed in the Governor's proposal to "constrain spending."

Recommended Subcommittee Action:

Provide \$3.7 million General Fund and on-going funding to support the procurement and development of the OCAT integration into SAWS to avoid duplicate data entry and facilitate outcome tracking, corresponding to other actions in this agenda regarding CalWORKs.

ISSUE 5: CALWORKS MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES AND CONTRACTING**BACKGROUND**

This proposal was heard by the Subcommittee on May 3, 2017.

Recommended Subcommittee Action:

Adopt placeholder trailer bill language to accomplish the following, which represent no cost, but will facilitate the provision of mental health and substance abuse services for children and adults in the CalWORKs program (please see Attachment I to this agenda for the actual language):

1. Authorize the recipient to be referred to the county mental health department or a community-based provider for evaluation and determination of treatment needs.
2. Authorize mental health services to include the provision of mental health assessment, case management, and treatment and rehabilitation services for children of CalWORKs recipients.
3. Authorize the substance abuse treatment services to include the provision of substance abuse evaluation, determination of necessary treatment, and substance abuse treatment for children of CalWORKs recipients.

ISSUE 6: CALWORKS EDUCATIONAL INCENTIVE GRANTS**BACKGROUND**

This proposal was heard by the Subcommittee on May 3, 2017.

Recommended Subcommittee Action:

Provide \$13 million General Fund as a placeholder amount that could fund educational grants and stipends for qualified individuals, as well as additional funding for Community Colleges CalWORKs program services. Adopt placeholder trailer bill language to effectuate these program changes.

ISSUE 7: SSI/SSP AND CALWORKS COST OF LIVING ADJUSTMENTS**BACKGROUND**

The Social Security Income/State Supplementary Payment grant issues were heard by the Subcommittee on March 15, 2017 and the CalWORKs grant issues were heard on May 3, 2017. Advocates have for many years requested the reinstitution of annual cost of living adjustments (COLAs) in statute for both programs to better allow for grants to keep pace with inflation.

Recommended Subcommittee Action:

Adopt placeholder trailer bill language to reinstate the SSI/SSP (for the SSP portion) and CalWORKs state COLAs, starting January 1, 2021. The first year costs of the COLAs is a combined \$100 million General Fund (\$45 million for six months of the SSP COLA and \$55 million for six months of the CalWORKs COLA). This would raise the grants in accordance with the California Necessities Index, projected roughly to be 3.22 percent at the time that this COLA would go into effect.

ISSUE 8: SUPPLEMENTAL REPORT LANGUAGE ON SSI CASH-OUT REVERSAL WITH HOLD HARMLESS**BACKGROUND**

This issue and advocates' feedback regarding the status of SSI/SSP grants and the option to reverse the CalFresh cash-out for SSI/SSP recipients, with a hold harmless supplement that would prevent an adverse effect for any SSI/SSP recipients, was heard at the Subcommittee's March 15, 2017 hearing.

Recommended Subcommittee Action:

Adopt placeholder supplemental report language asking the Legislative Analyst's Office to evaluate and report on options regarding the "SSI cash-out with hold harmless" approach, submitting the report to the Legislature by the end of the current calendar year. The report should include funding and implementation implications to pursue this approach as a state.

ISSUE 9: HOME SAFE IN ADULT PROTECTIVE SERVICES**BACKGROUND**

This proposal was heard by the Subcommittee on March 15, 2017.

Recommended Subcommittee Action:

Provide \$10 million General Fund on-going to implement the Home Safe program within Adult Protective Services, pursuant to the following placeholder trailer bill language:

SECTION 1. Section 15767 is added to the Welfare and Institutions Code, to read:

15767. (a) For purposes of this section, the following definitions shall apply:

(1) "Adult protective services" has the same meaning as defined in Section 15610.10.

(2) "Department" means the State Department of Social Services.

(3) "Eligible individual" means any individual that, at a minimum, meets all of the following conditions:

(A) Receives adult protective services at the time eligibility is determined.

(B) Is homeless or at risk of homelessness.

(C) Voluntarily agrees to participate in the program.

(4) "Homeless or at risk of homelessness" means any of the following:

(A) An individual, who within the last year has been displaced from a home that he or she owned or rented, due to abuse and neglect, and who meets one of the following:

(i) Lacks a fixed, regular, and adequate nighttime residence.

(ii) Has a primary nighttime residence that is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings, including, but not limited to, a car, park, abandoned building, bus station, train station, airport, or campground.

(iii) Is living in a supervised publicly- or privately-operated shelter designated to provide temporary living arrangements, including hotels or motels paid for by federal, state, or local government programs for low-income individuals or by charitable organizations, congregate shelters, or transitional housing.

(iv) Resides or resided in a shelter or place not meant for human habitation.

(B) An individual who will imminently lose his or her housing due to abuse or neglect, including, but not limited to, housing he or she owns, rents, or lives in without paying rent or is sharing with others, or room in hotels or motels not paid for by federal, state, or local government programs for low-income individuals or by charitable organizations, as evidenced by any of the following:

(i) An eviction notice or court order resulting from an eviction action that notifies the individual that he or she must leave his or her residence.

(ii) The individual living in conditions that pose a health and safety concern, as determined by the adult protective services agency, local code enforcement, or other local governmental entities.

(iii) The individual having a primary nighttime residence that is a room in a hotel or motel and where he or she lacks the resources necessary to reside there on an ongoing basis.

(iv) Credible evidence indicating that the owner or renter of the housing will not allow the individual to stay on an ongoing basis, and any oral statement from an individual seeking

homeless assistance that is found to be credible shall be considered credible evidence for purposes of this clause.

(C) An individual who has no subsequent residence identified.

(D) An individual who lacks the resources or support networks needed to obtain other permanent housing, including, but not limited to, individuals exiting medical facilities, long-term care facilities, prisons, and jails.

(5) "Permanent housing" means a place to live without a limit on the length of stay in the housing that exceeds the duration of funding for the program, subject to landlord-tenant laws pursuant to Chapter 2 (commencing with Section 1940) of Title 5 of Part 4 of Division 3 of the Civil Code.

(6) "Program" means the Adult Protective Services Home Safe Program established pursuant to this section.

(7) "Supportive housing" has the same meaning as that term is defined in Section 50675.14 of the Health and Safety Code.

(b) To the extent funds are appropriated in the annual Budget Act, the department shall award no fewer than 10 grants to county or groups of county adult protective services programs for the purpose of providing housing-related supports to eligible individuals experiencing homelessness or who are at risk of homelessness.

(c) (1) It is the intent of the Legislature that housing-related assistance provided pursuant to this section utilize evidence-based models, including evidence-based practices in rapid rehousing and supportive housing.

(2) Housing-related supports available to participating individuals shall include, but not be limited to, both of the following:

(A) An assessment of each individual's housing needs, including a plan to assist him or her in meeting those needs, consistent with the case plan, as developed by the adult protective services agency. To the extent feasible, this plan shall be developed in coordination with a multidisciplinary team that may include mental health providers, housing programs, local law enforcement, the local long-term care ombudsman, legal assistance providers, the local area agency on aging, and others identified by the adult protective services agency.

(B) Housing supports and services that are evidence-based, to the extent feasible, and that may include, but are not limited to, all of the following:

(i) Navigation or search assistance to recruit landlords and assist individuals in locating affordable or subsidized housing.

(ii) Enhanced case management, including motivational interviewing and trauma-informed care, to help the individual recover from elder abuse, neglect, or financial exploitation in order to secure permanent housing.

(iii) Housing-related financial assistance, including rental assistance, security deposit assistance, utility payments, moving cost assistance, and interim housing assistance while housing navigators are actively seeking permanent housing options for the individual.

(iv) Housing stabilization services, including ongoing tenant engagement, case management, public systems assistance, legal services, credit repair assistance, life skills training, heavy cleaning, and conflict mediation with landlords, neighbors, and families.

(v) If the individual requires supportive housing, linkage to long-term services promoting housing stability.

(vi) Immediate mental health assistance, as appropriate.

(d) The department shall award program funds to counties according to criteria developed pursuant to subdivision (e), subject to both of the following requirements:

(1) A county that receives state funds under this program shall match that funding on a dollar-by-dollar basis, which may be met by cash or in kind. The county funds used for this purpose shall supplement, and not supplant, county funding already intended for these purposes.

(2) Participating counties shall demonstrate the extent to which they are leveraging county mental health services for participating individuals, and any barriers to leveraging these funds.

(e) The department, in consultation with the California Elder Justice Coalition, the California Commission on Aging, and the County Welfare Directors Association of California, shall develop all of the following:

(1) The criteria by which the department shall award funds to counties to provide housing-related assistance to eligible individuals pursuant to this section.

(2) The proportion of program funding to be expended on reasonable and appropriate administrative activities to minimize overhead and maximize services.

(3) Eligible sources of funds for a county's matching contribution.

(4) Tracking and reporting procedures for the program.

(5) A process for evaluating program data.

(f) This section does not create an entitlement to housing-related assistance that is intended to be provided at the discretion of the county as a service to eligible individuals.

ISSUE 10: IMMIGRATION SERVICES FUNDING**BACKGROUND**

These issues and proposals were heard by the Subcommittee on May 3, 2017.

Recommended Subcommittee Action:

Provide for an augmentation for the Immigration Services Program at DSS to achieve a total \$45 million (General Fund) funded on-going program for the next three years. This would provide an additional \$15 million for 2017-18 in addition to acceptance of the Governor's May Revision (\$15 million), adding this combined additional \$30 million in on-going funding to the current base of \$15 million. This would raise the base to \$45 million General Fund through 2019-20, allowing for the needs in the community to be revisited in the intervening years and in the construction of the 2020-21 budget. Of this appropriation, \$545,000 is a one-time set aside in the 2017-18 overall appropriation for legal resources and training to nonprofit legal services projects to ensure non-citizen clients are provided competent and effective defense counsel.

Corresponding to this action, adopt placeholder trailer bill language that does the following:

1. Expands the purpose of the program to facilitate due process to individuals in deportation proceedings. It is the intent of the Legislature that two-thirds of the program funding be utilized for the purposes of the program as it has existed, and that a third be used for this additional purpose. The Legislature does not intend to be exact in this appropriation, but to provide a general guideline for the Administration, to be reviewed and potentially revised in partnership with the Administration.
2. Acknowledges and provides access to an expanded set of immigration remedies.
3. Provides that services may be provided to persons residing or formerly residing in California, allowing access to deported veterans.
4. Facilitates service provision to underserved areas of the state with demonstrated community need and growing legal services capacity.

ISSUE 11: CALFOOD**BACKGROUND**

The advocate's proposal on CalFood was heard by the Subcommittee at its hearing on April 19, 2017.

Recommended Subcommittee Action:

Provide \$17.5 million General Fund (on-going) for the CalFood program. (For the 2017-18 year, this on-going appropriation includes the \$2 million one-time funding that was provided in the May Revision, so that the net appropriation increase for the 2017-18 year is \$15.5 million.)

ISSUE 12: ABLE-BODIED ADULTS WITHOUT DEPENDENTS (ABAWD) PROGRAM**BACKGROUND**

The advocates' proposal on the ABAWD Program was heard by the Subcommittee at its hearing on April 19, 2017.

Recommended Subcommittee Action:

This action has two components:

- 1. Adopt the following placeholder trailer bill language for the ABAWD program, intended to allow for maximum continued access to food benefits for no or low income Californians in preparation for the waiver expiration. There is no cost associated with this proposal.**

SECTION 1. Section 18926 of the Welfare and Institutions Code is amended to read:

18926. (a) To the extent permitted by federal law, the department shall annually seek a federal waiver of the existing federal Supplemental Nutrition Assistance Program limitation that stipulates that an able-bodied adult without dependents (ABAWD) participant is limited to three months of CalFresh benefits in a three-year period unless that participant has met the work participation requirement.

(b) All eligible counties shall be included in and bound by this waiver ~~unless a county declines to participate in the waiver request. If a county declines, the county shall submit documentation from the board of supervisors of that county to that effect. waiver.~~

~~(c) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 2 of the Government Code) the department may implement this section by all county letters or similar instructions.~~

SEC. 2. Section 18926.1 is added to the Welfare and Institutions Code, to read:

18926.1. (a) To the extent not prohibited by federal law and guidance, the department shall ensure that all recipients subject to the federal ABAWD time limit described in Section 18926 are permitted to meet the work requirements of the time limit through all forms of work, including, but not limited to, volunteer work at a nonprofit organization or a public institution that the recipient chooses, if the county can verify the hours of participation using the process established by the department pursuant to subdivision (b).

(b) On or before January 1, 2018, the department shall issue an all-county letter instructing counties as to how to verify hours of the volunteer work specified in subdivision (a).

SEC. 3. Section 18926.2 is added to the Welfare and Institutions Code, to read:

18926.2. To the extent not prohibited by federal law and guidance, a recipient who is homeless shall be deemed to be exempt from the federal ABAWD time limit described in Section 18926. For purposes of this section, a recipient who is homeless is a person who does not have a regular nighttime residence.

SEC. 4. Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the department shall implement Sections 1, 2, and 3 of this act through all-county letters or similar instructions until regulations are adopted. The department shall adopt regulations implementing those provisions on or before January 1, 2020.

2. Adopt supplemental report language that does the following:

Item 5180-101-0001--Department of Social Services - County CalFresh Denial and Discontinuance Reports. The department shall update the Legislature at budget hearings on the development of statistical reports relative to CalFresh 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. These reporting elements identified by the workgroup shall be ones necessary to inform policy decisions which support maximum participation of eligible Californians and prevent duplication of effort for caseworkers, applicants and recipients.

ISSUE 13: CENTER FOR CALFRESH EMPLOYMENT AND TRAINING EXCELLENCE**BACKGROUND**

The Subcommittee is in receipt of a proposal from the Western Center on Law and Poverty requesting the creation of a Center for CalFresh Employment and Training Excellence (also called "Center for Excellence"). They state the following: The establishment of a Center for Excellence will allow California to garner momentum for expansion, engage stakeholders, and identify additional local and state resources to support CalFresh E&T. The Center will also help counties and service providers implement effective practices in workforce development and CalFresh E&T implementation through research along with intensive training and technical assistance. The Center may be sited in three different locations within California, to facilitate a regional approach.

In 2015, the USDA FNS created a Center of Excellence for SNAP E&T, known as SNAP to Skills, at the national level. SNAP to Skills received a time-limited federal contract to provide training and technical assistance in ten states, including four counties in California. The work of SNAP to Skills has been essential to expansion of CalFresh E&T in the areas in which it operates. However, it is not clear that the new federal administration will continue to support SNAP to Skills or expand it beyond the four California counties. There is growing statewide interest in expansion of the CalFresh E&T program and many untapped opportunities to develop third-party reimbursement programs to support workforce preparation among CalFresh recipients. It is therefore imperative that California move to establish its own CalFresh E&T Center for Excellence.

Recommended Subcommittee Action:

Provide \$2.1 million General Fund on a one-time basis, to be spent over three years, assuming a 50/50 federal match, and adopt the following placeholder trailer bill language:

Add Section 18926.4 to the Welfare and Institutions Code:

18926.4 (a) By January 1, 2018, the department shall establish the Center for CalFresh Employment and Training (E&T) Excellence. The purpose and mission of the center is to further the goal of ensuring every CalFresh recipient has access to a high-quality employment and training program that will result in an increase in his or her family income and a reduction in his or her need for CalFresh benefits to prevent hunger. The center shall serve as a state repository of information on effective CalFresh employment and training methodologies, curriculum, contracting templates, and outcomes research. The center shall conduct research and provide technical assistance to counties that wish to implement outcome-based CalFresh Employment and Training programs using county general funds or third-party match for which they will receive partial federal reimbursement. The department may contract with a third party to establish the center.

(b) (1) The department shall report to the Legislature, no later than April 1, 2018, on the development of the Center for Excellence and the list of outcome indicators that they will

require for the Center. These outcome indicators must include but not be limited to the following: number of new counties engaged, the number of new third-party match contractors engaged, the number of new Employment & Training slots created and the total dollar in partial federal reimbursement that will be received to support CalFresh Employment & Training services and participant reimbursements.

(2) The department shall report to the Legislature, no later than April 1, 2018 an initial analysis prepared by the Center for Excellence on strategies necessary to support and incentivize counties to provide each recipient subject to the Able Bodied Adult Without Dependents (ABAWD) time limit with a referral to a qualifying component so that they may meet the time limit work requirement.

(c) This section shall remain in effect only until January 1, 2021, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2021, deletes or extends that date.

ISSUE 14: SUPPLEMENTAL NUTRITION BENEFIT PILOT**BACKGROUND**

This proposal was heard by the Subcommittee on April 19, 2017.

Recommended Subcommittee Action:

Provide funding for the Supplemental Nutrition Benefit Pilot of \$5 million General Fund (one-time) with placeholder trailer bill language adopted as follows:

SECTION 1. Section 18901.25 is added to the Welfare and Institutions Code, to read:

18901.25. (a) There is hereby created the Safe Drinking Water Supplemental Benefit Pilot Program, a state-funded program to provide additional CalFresh nutrition benefits for interim assistance to purchase safe drinking water in areas where it is necessary.

(b) The State Department of Social Services shall use moneys allocated for this program to provide time-limited additional nutrition benefits to residents of prioritized disadvantaged communities that are served by public water systems that consistently fail to meet primary drinking water standards, as defined in Section 116275 of the Health and Safety Code. Benefits shall be in addition to benefits provided for pursuant to Article 6 (commencing with Section 11450) of Chapter 2 of Part 3 and shall not be considered as income for any program established in this code.

(c) The department may use its own existing databases and databases from the State Water Resources Control Board to determine which CalFresh households are eligible to receive benefits pursuant to this section. The following households shall receive priority:

(1) CalFresh recipients served by persistently noncompliant public water systems in disadvantaged communities, as defined in Section 79505.5 of the Water Code, as determined by the location of the recipient's residence.

(2) CalFresh recipients in communities deemed eligible for interim emergency drinking water benefits by the State Water Resources Control Board, as determined by the recipient's residence.

(d) Benefits granted pursuant to this section shall be delivered through the electronic benefits transfer (EBT) system created pursuant to Section 10072. The benefit issuance mechanism created for this program shall be designed in a manner that can target multiple populations with specific benefits and shall allow the department flexibility to provide benefits for specific populations, as determined by the department, contingent upon the appropriation of funds by the Legislature.

(e) (1) The distribution of benefits pursuant to this section shall comply with all federal and state laws and regulations governing electronic benefits.

(2) The distribution of benefits pursuant to this section shall comply with privacy and confidentiality procedures required by federal and state law.

(f) The benefit issuance mechanism created for this program shall become operative on or before June 30, 2018.

(g) This section shall become inoperative on July 1, 2020, and, as of January 1, 2021, is repealed.

ISSUE 15: POVERELLO HOUSE FOOD BANK**BACKGROUND**

The Subcommittee is in receipt of a proposal for infrastructure funding for Poverello House. Below is background explaining the request:

Since 1973, Poverello House has been providing basic human services to the disadvantaged in Fresno. The organization provides three meals a day, 365 days a year to men, women and families along with other services that improve people's quality of life. These services include clothing distribution, emergency food bags, a medical clinic, the Men's Resident Rehabilitation program, temporary overnight shelter for men and women, and social services for individuals seeking to end their homelessness situation. Poverello House provides 1,600 hot meals every single day of the year.

The current warehouse that is used to store donated food items is a former used auto junk yard. Despite several quick-fixes to the structure, it has fallen into major disrepair. The wood frame is rotting, the roof leaks and there are ongoing pest control problems. The corrugated metal roof and siding combined with the lack of insulation creates temperature extremes that often spoil food products. In addition, the layout is not conducive to the efficient storing and moving of hundreds of pallets of food need for the 1,600 meals prepared each day. In addition, it poses a safety hazard to staff and volunteers. One of the biggest obstacles to the daily operation is the lack of cold storage, forcing Poverello House to lease space offsite at a monthly cost. This creates additional workflow barriers to feeding the hungry and homeless.

In addition, there are 30 residents in the six-month rehabilitation program, which has a 52 percent success rate. About 120 people a night sleep in the temporary housing sheds. These are the bridge between homelessness and permanent housing. Twenty-seven women a night use Naomi's House, which is a safe haven for single, homeless women. Counseling and 12-step recovery are offered. The shelter is financed by a HUD grant and matching funds raised by Poverello House. Eleven residents stay at Pico House, a transition home for graduates of the drug-rehab program. Nearly 300 people are treated monthly in the medical clinic. Another 33 each month receive dental services.

Poverello House is requesting a \$1 million one-time General Fund investment for food program and shelter infrastructure, to be administered by the Department of Social Services.

Recommended Subcommittee Action:

Provide \$1 million (General Fund) as a pass-through amount to be applied for building infrastructure improvements for the Poverello House in Fresno County.

ISSUE 16: HOMELESSNESS AND LOW-INCOME DISPLACEMENT ASSISTANCE DUE TO NATURAL DISASTERS**BACKGROUND**

The Subcommittee is in receipt of a request for funding of \$10.4 million one-time General Fund to assist homeless and displaced individuals affected by the Coyote Creek flooding that occurred in February of this year.

The spending proposal is as follows:

1. Direct Assistance to Flood Affected Households: \$5,400,000
 - Case management, relocation, housing – rent subsidies, and transportation assistance for 300 households for 12 months. Realistic cost per household: \$3,000/month
2. Rehabilitation Grants/Loans for Single Family Homes: \$5,000,000
 - Gap grant for up to 500 impacted homeowners for repair and rehabilitation, not to be duplicated by insurance or other governmental assistance. To ensure homes remain affordable and available to low-income renters, we are working with the City to determine an appropriate retention requirement for homeowners who accept the grant. Realistic cost per household: \$10,000 per property.

Recommended Subcommittee Action:

Provide \$10.5 million General Fund (one-time) as a pass-through amount to be used to meet the needs of this homeless and displaced population.

ISSUE 17: PREVENTING UNINTENDED PREGNANCIES FOR FOSTER YOUTH**BACKGROUND**

The advocates' proposal on preventing unintended pregnancies for and assuring reproductive rights of foster youth was heard by the Subcommittee at its hearing on April 19, 2017.

Recommended Subcommittee Action:

Provide \$2.9 million General Fund for 2017-18 and \$2.6 million General Fund in 2018-19 and on-going, with a presumed federal match to create a total of \$6 million in 2017-18 and \$5.1 million in the out-years to provide for social worker training, foster caregiver training, court officer training, fund additional social

worker workload, and develop statewide curriculum (one-time cost). Adopt placeholder trailer bill language that does the following:

1. Require, for youth in foster care 10 years of age and older, and for certain nonminor dependents, the case plan to be updated annually to verify that the youth or nonminor dependent has received comprehensive sexual health education and to be updated annually to indicate that the youth or nonminor dependent has been informed, among other things, that he or she may access age-appropriate, medically accurate information on reproductive and sexual health care, including, but not limited to, unplanned pregnancy prevention and abstinence.
2. Require the case plan to indicate that the youth or nonminor dependent has been informed how to consent to and access those services, including facilitating that access and assisting with any identified barriers to care.
3. Require the department to develop a curriculum for case management workers and foster care providers that addresses certain topics related to sexual and reproductive health care, including, among others, how to document sensitive health information, including sexual and reproductive health issues, in a case plan.
4. Require these topics to be addressed in certain additional training, including, among others, training for administrator certification programs for group homes and short-term residential therapeutic programs.

ISSUE 18: DEAF ACCESS PROGRAM

BACKGROUND

This proposal was heard by the Subcommittee at its hearing on April 26, 2017.

Recommended Subcommittee Action:

Provide \$3 million General Fund on-going to augment the Deaf Access Program's budget and allow for services to be provided to linguistically isolated populations.

ISSUE 19: MEDICAL REVIEW FOR PSYCHOTROPIC MEDICATIONS**BACKGROUND**

This proposal was heard by the Subcommittee at its hearing on March 29, 2017.

Recommended Subcommittee Action:

Provide \$81,000 General Fund, assuming a federal match to produce a total \$320,100 appropriation for 2017-18 and on-going to create a medical review program based at DSS. Adopt the following placeholder trailer bill language, to be further refined in the trailer bill process:

Add the following section to the Welfare and Institutions Code:

New Section XXX:

- (a) The Department of Social Services, in consultation with the Department of Health Care Services, shall contract for child psychiatry services to complete a record review for all requests to authorize psychotropic medications for which a second opinion review is requested by a county. The second opinion review shall occur within 72 hours and must include discussion of the psychosocial interventions that have been or will be offered to the child and caretaker, if appropriate, to address the behavioral health needs of the child.
- (b) Recommended indicators for identifying those requests for authorizations of psychotropic medications for which a county may request a second opinion record review may include, but are not limited to, prescriptions for concurrent psychotropic medications, dosages which exceed recommended guideline for use in children, off-label medications, and requests for psychotropic medication usage without any other concurrent psychosocial services.
- (c) The Department shall issue guidance regarding the second opinion review process no later than July 1, 2018, and periodically may revise that guidance following consultation with counties, other state departments, advocates for children and youth, and other stakeholders.
- (d) The child psychiatry services contracted by the department shall be available to provide second opinion reviews to those counties that do not have an existing second opinion review program. Nothing in this section is intended to supersede or prohibit a county from operating its own second opinion review program.
- (e) Nothing in this section is intended to prevent the administration of medication in an emergency, as otherwise authorized by law or regulation.
- (f) The State Department of Health Care Services shall seek any necessary federal approvals for the Department of Social Services to obtain enhanced federal Title XIX funds for the second opinion review service required by this section. Notwithstanding any other provision of law, this section shall be implemented only if, and to the extent that, federal financial participation, as provided under Title XIX of the federal Social Security Act is available.

ISSUE 20: FOSTER CARE PUBLIC HEALTH NURSES**BACKGROUND**

This proposal was heard by the Subcommittee at its hearing on March 29, 2017.

Recommended Subcommittee Action:

Provide \$3.84 million General Fund, assuming a federal match to produce a total \$15.4 million appropriation for 2017-18 and on-going, to provide an additional 96 Public Health Nurses (PHNs) in the Health Care Program for Children in Foster Care (HCPCFC).

ISSUE 21: EMERGENCY CHILD CARE BRIDGE**BACKGROUND**

This proposal was heard by the Subcommittee at its hearing on March 29, 2017.

Recommended Subcommittee Action:

Provide \$10 million General Fund to implement the Emergency Child Care Bridge starting March 1, 2018, with \$31 million for the annualized costs starting in 2018-19. Adopt the placeholder trailer bill language that does the following:

1. Establish the Emergency Child Care Bridge Program for Foster Children (bridge program).
2. Authorize county welfare departments to administer the bridge program and distribute vouchers, or payment, for child care services for an eligible child who is placed with an approved resource family, a licensed or certified foster family, or an approved relative or nonrelative extended family member, or who is the child of a young parent involved in the child welfare system.
3. Require, for counties that choose to participate, that county welfare departments determine eligibility for the bridge program and provide monthly payment either directly to the family or to the child care provider or provide a monthly voucher for child care, in an amount that is commensurate with the regional market rate, for up to 6 months following the child's initial placement, unless the child and family are able to access long-term, subsidized child care prior to the end of the 6-month period.

4. Allow eligibility for a child care payment or voucher to be extended for 6 months, at the discretion of the county welfare department, if the child and family have been unable to access long-term, subsidized child care during the initial 6-month period.
5. Require that each child receiving a monthly child care payment or voucher be provided with a child care navigator and would authorize the county to establish local priorities in the implementation of the bridge program.
6. Require each child care resource and referral program to provide a child care navigator to support children in foster care, children previously in foster care upon return to their home of origin, and children of parents involved in the child welfare system.
7. Require the child care resource and referral program to provide trauma-informed training and coaching to child care providers working with children, and children of parenting youth, in the foster care system.

ISSUE 22: CONTINUUM OF CARE REFORM MENTAL HEALTH TRACKING AND OUTCOMES**BACKGROUND**

This issue was heard by the Subcommittee as part of the March 29, 2017 hearing that covered oversight over the implementation of the Continuum of Care Reform (CCR).

As part of the 2016 Budget, the Legislature adopted supplemental report language (SRL) to facilitate oversight over the CCR. Stakeholders have requested clarification regarding the data points called for in the original SRL to allow for a more transparent and meaningful understanding regarding the provision of mental services for foster youth. As this service is a central pillar of the CCR effort, these clarifications will allow for a more comprehensive setting of baseline information that will ultimately yield periodic tracking and accountability around this effort.

Recommended Subcommittee Action:

Adopt changes to the 2016 SRL as indicated below to facilitate transparent and meaningful understanding of mental health services for foster youth in the implementation of the CCR:

(g) *Update on Capacity to Provide Mental Health Services.* With a focus on changes over time, status updates on the capacity of all involved providers to provide mental health services. Data reporting under this paragraph may occur quarterly rather than monthly and shall include the following:

(i) Number of STRTPs requesting mental health program approval and outcomes of approval requests.

~~(i)~~(ii) Number of STRTPs with mental health plan contracts to provide mental health services and identification of the counties with which the STRTPs have contracts.

~~(ii)~~(iii) Number of FFAs with mental health plan contracts to provide mental health services and identification of the counties with which FFAs have contracts.

~~(iii)~~(iv) Number of FFAs electing to provide placements in TFC homes.

(h) *Tracking Child Outcomes Over Time.* With a focus on changes over time, and to the extent data is available, status updates on the following child outcome measures:

(i) Number of children in out-of-home care stratified by placement type, Level of Care, and whether the supervising department is county child welfare or probation.

(ii) Number of placements per child.

(iii) Proportion of placements that constitute a move to a less restrictive setting.

(iv) Average length of stay per placement episode by placement type.

(v) Number of children receiving the FFA and services-only rate, stratified by county.

(vi) Number of children receiving specialty mental health services on a monthly basis stratified by service type, county, placement type, and Level of Care. Services shall be further delineated by its subcomponents including assessment, plan development, collateral contacts, rehabilitation and therapy.

(vii) Number of children receiving mental health services on a monthly basis under the Medi-Cal managed care and fee-for-service systems stratified by service type, county, placement type, and Level of Care. Services shall be further delineated by its subcomponents including assessment, plan development, collateral contacts, rehabilitation and therapy.

(viii) Mental health provider (including STRTPs, FFAs, and managed care plans) and county performance on timely access standards for mental health for the foster care population, including date of initial child welfare/probation placement and receipt of service.

(ix) Number and disposition of service complaints regarding specialty and non-specialty mental health service delivery for foster youth.

ISSUE 23: FEDERAL LABOR STANDARDS ACT EXEMPTIONS**BACKGROUND**

The Federal Labor Standards Act (FLSA) issues and the advocates' proposal regarding exemptions for In-Home Supportive Services (IHSS) consumers with high needs were heard by the Subcommittee on March 8, 2017.

Recommended Subcommittee Action:

Modify the action that was taken by the Subcommittee on March 8th to instead provide approximately \$1.65 million General Fund on an on-going basis and adopt placeholder trailer bill language that does the following:

1. Codifies existing exemptions for live-in family care providers and extraordinary circumstances.
2. Adds that an exemption be granted for providers on an individual basis when there is failure to grant an exemption if the recipient is at serious risk of institutionalization.
3. Provides notices and hearing for IHSS consumers where a denial of a provider exemption would result in a loss of services; and 4) adds a one-time notice mailing and exemption request form to all providers who may be eligible for exemptions; and 5) adds an annual reassessment evaluation for potential eligibility for exemptions.

ISSUE 24: IHSS CCI AND MOE CHANGES**BACKGROUND**

The Subcommittee heard the May Revision proposal that altered the Governor's proposal on the effects on the IHSS program and its funding structure given the termination of the CCI on May 15, 2017. Please see that agenda for details on the modified proposal.

Recommended Subcommittee Action:

This action has two parts:

1. **Adopt the May Revision proposal in concept along with placeholder trailer bill language to be finalized with input from stakeholders during the Conference Committee stage of the budget process.**

2. Adopt the following placeholder trailer bill language, to be further refined in the trailer bill process, facilitating a review of the implementation of this proposal in due course:

Require the Department of Finance, in consultation with the California State Association of Counties, to prepare a report to the Legislature that evaluates the 1991 Realignment and the IHSS MOE structure and inflation factor on the long-term sustainability of the 1991 Realignment to ensure the shift in fiscal responsibility for realigned programs continues to meet State and County priorities. The report shall:

- (a) Analyze key components of the 1991 Realignment and 2017-18 changes including
 - Impact of the IHSS MOE inflator on IHSS and other State and County programs;
 - Impact of the redirected VLF growth revenues on realigned Mental Health programs;
 - Impact of the redirected VLF growth revenues on realigned Health programs;
 - Impact of the redirected VLF growth revenues on County Medical Services Program (CMSP);
 - Impact on other realigned Social Services programs;
 - Alignment of the realigned program costs shifted to counties to the available revenues to fund them in light of 2017-18 Budget changes including the inflation factor;
 - Other impacts to the State and counties.
- (b) Include specific decision criteria to determine to what extent the IHSS MOE and related changes are working and what adjustments should be considered.
- (c) Be submitted to the Legislature within two years of the 2017-18 Budget changes going into effect.

ISSUE 25: DSS GOVERNOR'S BUDGET PROPOSALS

	Issue	Prior Hrg Date	Reco for Action
A	Full-Year Costs for Child Welfare Services Near Fatality Case Reviews - The BCP requests \$480k (\$240k GF) for 4.0 permanent positions to align with new workload per the Near Child Fatalities reporting adopted in budget clean-up in 2016.	3/29	Approve As Budgeted
B	Continuance of Community Care Licensing (CCL) Staffing Resources - The BCP requests \$3.5 M Special Funds and increased expenditure authority in the Technical Assistance Fund (Special Fund) to address multiple program and service delivery issues within CCL; includes funding for 5.5 permanent positions.	3/29	Approve As Budgeted
C	Horizontal Integration Office: Transfer to Office of Systems Integration - The BCP requests a budget-neutral movement of 3.0 existing, permanent positions and all associated activities from DSS to HHSA.	4/26	Approve As Budgeted
D	Trailer Bill: Continue Suspension of Fingerprint Licensing Fee Exemption - Allows for small savings from foregone spending that would occur without this statutory suspension.	3/29	Approve Trailer Bill Language As Proposed
E	Trailer Bill: Delay Licensing Requirements for Private Alternative Boarding Schools and Outdoor Programs - Allows for savings from foregone spending that would occur in the absence of the delay these changes make.	3/29	Reject proposed Trailer Bill Language

F	Trailer Bill: Expand Use of Local Family Support Account Funds	3/22	Approve Trailer Bill Language As Proposed
G	Spring Fiscal Letter: Home Care Services Program	4/19	Elongate General Fund PayBack Period to allow for modification of fee revisions as proposed as a Placeholder Action, this action is intended to move this issue to Conference

ISSUE 26: DSS MAY REVISION PROPOSALS

	Issue	Prior Hearing Date	Reco for Action
A	Fair Labor Standards Act - Travel Time and Medical Accompaniment Wait Time Decreases	15-May	Approve As Budgeted
B	CalWORKs Housing Program Changes	15-May	Approve As Budgeted
C	Temporary Assistance for Needy Families (TANF) Block Grant Funds Transfer to California Student Aid Commission (CSAC)	15-May	Approve As Budgeted
D	Stage One Child Care Rate Increase	15-May	Approve As Budgeted
E	Continuum of Care Reform (CCR) Changes	15-May	Approve As Budgeted
F	Approved Relative Caregiver (ARC) Program, Infant Supplement, and Dual Agency Rate Parity	15-May	Approve As Budgeted
G	Reappropriation of Funding for Various Child Welfare Services Items	15-May	Approve As Budgeted
H	Automation Updates	15-May	Approve As Budgeted
I	Appeals Case Management System	15-May	Approve As Budgeted
J	Overall DSS Estimate and Caseload Adjustments	15-May	Approve As Budgeted

**0530 OFFICE OF SYSTEMS INTEGRATION, HEALTH AND HUMAN SERVICES AGENCY AND
5180 DEPARTMENT OF SOCIAL SERVICES**
ISSUE 27: OSI GOVERNOR'S BUDGET PROPOSALS

	Issue	Prior Hrg Date	Reco for Action
A	Child Welfare Digital Services Adjustment - The BCP increases costs in 2017-18 by \$51 M (\$25.5 M GF) to continue activities related to delivering the Child Welfare Services - New System, including a total of 57.0 permanent positions and vendor contract increases.	4/26	Approve As Budgeted
B	CMIPS II - Implementation of Paid Sick Leave for IHSS Providers - The BCP requests \$4.8 M GF as a one-time increase in spending authority to implement paid sick leave for IHSS and Waiver Personal Care Services providers beginning 7/1/18 pursuant to Chapter 4, Statutes of 2016 (SB 3).	4/26	Approve As Budgeted
C	Case Management, Information, and Payrolling System (CMIPS) II - Vendor Contract Transitional Activities - The BCP requests \$8.9 M (\$4.5 M GF) to support potential prime vendor contract transition activities if cutover to new vendor materializes, with corresponding BBL.	4/26	Approve As Budgeted

4300 DEPARTMENT OF DEVELOPMENTAL SERVICES**ISSUE 28: SERVICE COORDINATORS AT REGIONAL CENTERS****BACKGROUND**

This proposal was heard by the Subcommittee on March 1, 2017.

Recommended Subcommittee Action:

Provide \$17 million General Fund on-going to increase service coordinators at Regional Centers.

ISSUE 29: RESTORATION OF CAMP AND SOCIAL RECREATION PROGRAM SERVICES**BACKGROUND**

This proposal was heard by the Subcommittee in the course of the hearing on March 1, 2017.

The following estimate was made available by DDS:

- For 2017-18, the Department of Developmental Services estimates the cost to restore social recreation services effective January 1, 2018 at \$6.2 million (\$4.1 million GF). This is based on the estimated half-year impact of \$18.9 million, multiplied by 33% to account for the ramp-up of restoration. More specifically, ramp up will occur as regional centers review and update Individual Program Plans (IPPs) to identify the need for and authorize social recreation services, and to identify and develop providers to offer these services.
- In 2018-19, the Department estimates the cost to restore Social Recreation services at \$30.2 million (\$19.6 million GF). This is based on the estimated full-year impact of \$37.8 million, multiplied by 80% to account for the continued ramp-up of services. The Department estimates the ramp-up would be completed by 2019-20.
- To estimate costs, the Department compared actual expenditures for services after the suspension in 2009-10, to what expenditures would have been had the suspensions not occurred.

Recommended Subcommittee Action:

Provide, pursuant to the DDS estimates, \$4.1 million General Fund in 2017-18 and \$19.6 million in 2018-19 and on-going to restore camp and social recreation program services for DDS consumers being served by Regional Centers. Adopt placeholder trailer bill to effectuate this change in statute.

ISSUE 30 : BEST BUDDIES FUNDING**BACKGROUND**

This proposal was heard by the Subcommittee on April 26, 2017.

Recommended Subcommittee Action:

Provide \$1.5 million General Fund (one-time) for the Best Buddies program.

ISSUE 31: DEVELOPMENTAL SERVICES ADVOCACY REQUEST ON SYSTEM FUNDING**BACKGROUND**

This proposal was heard by the Subcommittee on April 26, 2017.

Recommended Subcommittee Action:

Adopt placeholder supplemental report language that asks the Legislative Analyst's Office to examine and report back to the Legislature and Administration on the implications and cost effects of the proposal to sequester funding associated with the closure of Developmental Centers to be used for Regional Center services in the community.

ISSUE 32: HEADQUARTERS RESEARCH UNIT**BACKGROUND**

At its March 1, 2017 hearing, the subcommittee heard testimony from the department regarding its newly-established Fiscal and Program Research Section, funded in the 2016-17 budget act with \$923,000 (\$630,000 General Fund) for seven new permanent positions and the redirection of one position, for a total of eight positions. The department testified how they are setting short and long-term goals for this section.

Budget trailer bill language adopted in AB 1606 (Committee on the Budget), Chapter 26, Statutes of 2016, require that these resources be used, in part, to “annually assess disparities data reported by regional centers, caseload ratio requirements by regional centers, and performance dashboard data collected pursuant to Section 4572 of the Welfare and Institutions Code, as it becomes available.”

The Fiscal and Program Research Section is relatively new and still staffing up. While the Legislature has set some priorities relative to the work of this section, it is also important that the section have the agility to respond to emerging issues.

Recommended Subcommittee Action:

Adopt placeholder trailer bill language as follows:

The department shall annually report during the budget subcommittee budget hearing process on the status of previously undertaken and/or ongoing research projects; their research priorities in the upcoming fiscal year; and how the research is applied in informing departmental decision-making and service provision.

This action conforms to the Senate on this issue.

ISSUE 33: DISPARITIES FUNDING**BACKGROUND**

\$11 million (General Fund) was provided in AB 2X 1 (Thurmond), Chapter 3, Statutes of 2016, to address this issue. The issue of funding disparities in the regional center system was discussed at the Subcommittee's March 1, 2017 hearing.

In October, 2016, the department approved proposed activities for all 21 regional centers, totaling \$10.7 million. According to the department, in reviewing regional centers' proposals, they took into account statewide needs and available resources, as well as information gathered during the department's statewide stakeholder meetings. In addition, proposals were analyzed for compliance with applicable statute and regulations, and the department's guidelines.

Grants to regional centers ranged from \$24,000 to \$1.3 million and funded projects include the translation of printed materials, hiring of specialized regional center staff, interpreter services and equipment, training for regional center staff and providers, outreach activities, and incentives to increase multilingual provider services.

Stakeholders have proposed various actions related to this issue, including, but not limited to:

- Provide grant funding to community-based organizations, other than regional centers, who reflect those groups disadvantaged by funding disparities.
- Require proposals to be publicly posted prior to, and following, approval.
- Fund statewide strategies, such as cultural sensitivity training to all regional center management and case workers.
- Utilize an independent evaluator to assess the effectiveness of funded activities.

- Remove the cap on the provision of respite services and reinstate the provision of recreation and services that have historically been highly utilized by ethnically diverse families.
- Remove barriers to the timely delivery of Early Start Program services, including clarifying changes for the individual family service plan (IFSP) process.

Recommended Subcommittee Action:

1. Adopt placeholder trailer bill language to require the department to post the following on its website each year:

- By September 1st, a proposed grant structure including:
 - How community-based organizations reflecting groups disadvantaged by funding disparities will be invited to participate.
 - How statewide strategies were considered.
 - How the department will ensure grant funds are not used for activities that regional centers are otherwise required by statute or regulation to conduct.
 - How funded activities will be evaluated.
- By October 1st, the final request for proposals or other mechanism through which grant proposals are solicited.
- By January 1st, a list of grant recipients, funding level per grant, and a description of the funded project.
- By May 1st of any year in which the information is available, evaluation results.

2. Adopt placeholder trailer bill language to clarify that regional centers should consider if insurance benefits are available and appropriate as part of the IFSP process.

This action conforms to the Senate on this issue.

ISSUE 34: PAID INTERNSHIPS – TRAILER BILL LANGUAGE**BACKGROUND**

This Governor's Budget proposal was heard at the Subcommittee's hearing on March 1, 2017.

Recommended Subcommittee Action:**Adopt placeholder modified trailer bill language:**

(1) For participation in a paid internship or competitive integrated employment that is an outcome of a paid internship pursuant to subdivision (a) of section 4870 if the IPP planning team determines that the consumer could benefit from participation in a paid internship. Participation in a paid internship or competitive integrated employment that is an outcome of a paid internship does not preclude an individual from continuing to receive public education services to the extent those services are determined to continue to meet the individual's needs.

This action conforms to the Senate on this issue.

ISSUE 35: REPORTING OF EMPLOYMENT OUTCOMES BY REGIONAL CENTERS – TRAILER BILL LANGUAGE**BACKGROUND**

This Governor's Budget proposal was heard at the Subcommittee's hearing on March 1, 2017.

The department has proposed language to require regional centers, through the performance contract process, to measure progress and report outcomes in implementing the "employment first" policy. According to the department, the outcomes and measures contained in performance contracts have remained relatively unchanged since 2001. They further report that three years ago, the department began "encouraging" regional centers to include employment outcomes as part of their local measures, however, five regional centers have not done so.

California Disability Services Association (DSA) requests language to require more specific data collection and reporting outcomes over time, specifically related to the number of individuals with reported earnings and average earnings.

Recommended Subcommittee Action:

Modify and adopt the Administration's proposed language, as placeholder subject to further refinement in the trailer bill process, as follows to provide clarity regarding performance contract objectives necessary to ensure regional centers are in compliance with state law and regulations:

- (a) The state shall enter into five-year contracts with regional centers, subject to the annual appropriation of funds by the Legislature.
- (b) The contracts shall include a provision requiring each regional center to render services in accordance with applicable provision of state laws and regulations.
- (c) (1) The contracts shall include annual performance objectives that the department determines are necessary to ensure each regional center is complying with subsection (b), including but not limited to, shall do both of the following:...

This action conforms to the Senate on this issue.

ISSUE 36: UNANTICIPATED RATE ADJUSTMENTS AND HEALTH AND SAFETY WAIVER REQUESTS – STAKEHOLDER PROPOSAL
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BACKGROUND

The department has two processes to increase a community provider's rate outside of the usual rate-setting mechanisms. These are the health and safety waiver process, designed to be used on a consumer-by-consumer basis; and the unanticipated rate adjustment process, intended for use by day programs and in-home respite programs.

At its March 1st hearing, the subcommittee heard testimony that these processes can be burdensome, not always suited to the situation in which a provider requires a rate adjustment, and can lack the agility for timely decision-making.

Recommended Subcommittee Action:

Adopt the following placeholder trailer bill language to accomplish the following:

The department shall convene a working group consisting of regional centers, providers, advocates, consumers, and family members to consider a simplified process for providers seeking rate adjustments due to the health and safety of one or more consumers served by a provider; necessary to prevent movement of a consumer into a more restrictive and/or more costly program; or necessary to prevent the loss of services being provided and for which no appropriate alternative service is available; or other criteria agreed upon by the working group. The department shall report on the workgroup process and product during the 2018 budget subcommittee process.

This action conforms to the Senate on this issue.

ISSUE 37: HEADQUARTERS-COMMUNITY HOUSING DEVELOPMENT OVERSIGHT- BCP**BACKGROUND**

This issue was heard at the Subcommittee's hearing on March 1, 2017. The budget proposes \$597,000 (\$554,000 General Fund) for four permanent positions to oversee the development of permanent community housing by the regional centers. Specifically, the department requests:

- One career executive assignment (CEA) position to review and make recommendations regarding housing development and funding policies and guidelines, as well as provide overall planning, leadership, and guidance from concept through post development.
- One staff services manager I who will assist the CEA and existing Community Development and Housing Section management with the coordination and implementation of housing review activities.
- Two associate governmental program analysts who will conduct housing review and compliance activities, including reviewing and updating tracking tools.

Recommended Subcommittee Action:

Approve as budgeted and adopt the following placeholder supplemental report language:

By September 1, 2018, the department shall report to the Senate and Assembly committees on human services and the appropriate legislative budget subcommittees on the following:

- Housing development and funding policies and guidelines.
- How the department and regional centers will assess community unmet needs and local priorities.
- How the department will monitor housing development.

Annually, by April 1, the department shall report to the Senate and Assembly committees on human services and the appropriate legislative budget subcommittees on the following:

- Type and number of housing projects approved, in progress, open, occupancy, by regional center.
- Total number of new beds by facility type, by regional center.
- The degree to which housing development gains have been offset by program closures, by facility type, by regional center.

ISSUE 38: SAFETY NET DEVELOPMENT – MAY REVISION PROPOSAL – TRAILER BILL LANGUAGE**BACKGROUND**

This issue was heard at the Subcommittee's hearing on March 1, 2017 and the Administration's May Revision Safety Net proposal was heard on May 15, 2017.

Recommended Subcommittee Action:

Conditionally approve the Safety Net Package, noting the Senate's action that will send this to Conference to allow for additional time to continue the conversations around the long-term planning, alignment of services to needs, and monitoring of the implementation of the plan moving forward.

As part of this, require a larger Map of Safety Net Alignment to be provided with the introduction of the January 10, 2018 Governor's Budget that describes at a higher level how DDS will approach the statewide resources given the pending closures of the final three Developmental Centers. This Subcommittee urges the Administration and Legislative staff to convene, post enactment of the 2017 Budget, to discuss the array of reporting requirements, existing and new, across DDS and how best to facilitate a robust and workable continued dialogue on implementation on all of the various program goals and challenges currently constituting the DDS workload.

ISSUE 39: DDS GOVERNOR'S BUDGET PROPOSALS

	Issue	Prior Hearing Date	Reco for Action
A	Capital Outlay Request - Nitrate Removal System at Porterville DC - The BCP requests \$3.7 M GF to install a nitrate removal system to remove to a safe level excess nitrates from domestic water supply, as supported by the Dept of General Services contracted study.	3/1	Approve As Budgeted

B	Information Security and Privacy Support - The BCP requests \$450k (\$370k GF) in funding for 3.0 permanent positions to provide resources to monitor, train, advise, and support required security activities at headquarters, the DCs, and the regional centers (RCs) for compliance with state and federal information security and privacy laws.	3/1	Approve As Budgeted
C	Trailer Bill: Community Placement Plans (CPP) - Allows CPP funds to be used for additional community resources.	3/1	Senate adopted conceptual trailer bill language, conform and move the issue to Conference, as part of larger Safety Net Package
D	Trailer Bill: Developmental Service Provider Rates - Updates service rates set in statute in accordance with recently adopted increases.	3/1	Approve TBL
E	Trailer Bill: Home and Community Based Services Regulations - Allows Department to issue policy directives in advance of emergency regulations.	3/1	Reject TBL and encourage DDS to begin the regular regulatory process, conforms to Senate action
F	Trailer Bill: Enhanced Behavioral Support Homes Exemption - Permits community crisis homes using secured perimeters to qualify for federal funds.	3/1	Suspend action and move the issue to Conference as part of larger Safety Net Package

ISSUE 40: DDS MAY REVISION PROPOSALS

	Issue	Prior Hearing Date	Reco for Action
A	Developmental Centers - Population and Technical Adjustments	15-May	Approve As Budgeted
B	Regional Center Caseload Adjustment	15-May	Approve As Budgeted
C	Behavioral Health Treatment (BHT)	15-May	Approve As Budgeted
D	Title XX Reimbursement Authority	15-May	Approve As Budgeted
E	Trailer Bill Language on Fairview Developmental Center Campus Lease Extensions	15-May	Approve As Budgeted

4185 CALIFORNIA SENIOR LEGISLATURE**ISSUE 41: BRIDGE FUNDING FOR THE CALIFORNIA SENIOR LEGISLATURE (CSL)****BACKGROUND**

This proposal was heard by the Subcommittee on March 15, 2017. The CSL requested bridge amount of funding of \$375,000 (one-time General Fund) that it says will work with the Governor's Budget rollover proposal to allow for CSL to stay afloat financially until revenue is raised through the soon to be newly named voluntary contribution fund.

Recommended Subcommittee Action:

Provide \$375,000 General Fund (one-time) as bridge funding for the California Senior Legislature.

ISSUE 42: CSL GOVERNOR'S BUDGET PROPOSALS

	Issue	Prior Hearing Date	Reco for Action
A	2016 Budget Act General Fund Reappropriation - The BCP requests reappropriation of an anticipated unspent \$175k at the end of 2016-17 until the end of 2017-18.	3/15	Approve As Budgeted

4170 CALIFORNIA DEPARTMENT OF AGING**ISSUE 43: SENIOR NUTRITION****BACKGROUND**

This proposal was heard by the Subcommittee on March 15, 2017.

Recommended Subcommittee Action:

Provide \$12.5 million General Fund for senior nutrition, including meals on wheels and congregate nutrition, programs administered across the state.

ISSUE 44: LONG-TERM CARE OMBUDSMAN PROGRAM**BACKGROUND**

This proposal was heard by the Subcommittee on March 15, 2017.

Recommended Subcommittee Action:

Augment funding for the Long-Term Care Ombudsman Program with \$1 million in ongoing funds from the State Health Facilities Citation Account.

ISSUE 45: MULTIPURPOSE SENIOR SERVICES PROGRAM**BACKGROUND**

The issues and advocates' proposals regarding the Multipurpose Senior Services Program (MSSP) were heard by the Subcommittee on March 15, 2017.

Recommended Subcommittee Action:

There are two components to this action:

- 1. Adopt trailer bill language to align with the work currently being undertaken by the California Department of Aging and the Department of Health Care Services (please see Attachment II to this agenda for the actual language). This is a no cost change and the language does the following:**

Declares the intent of the Legislature that the State Department of Health Care Services and managed care health plans shall work in collaboration with MSSP providers to begin development of standards that create a model of care of an integrated, person-centered care management and care coordination model, as specified, and explore which options of the MSSP program model may be adopted to managed care while maintaining the integrity and efficacy of the MSSP model to use as the basis of transition planning.

2. Adopt the following supplemental report language requiring continuing dialogue with MSSP providers in preparation for their transition into managed care in the continued CalMediconnect effort:

Item 4170-101-0001--California Department of Aging - Commencing August 2017, and until January 2021, the Department of Health Care Services, in collaboration with Multipurpose Senior Services Program Site Association and the Department of Aging, shall provide biannual updates, in the context of a scheduled meeting, to the Legislature and to stakeholders regarding progress towards the transition of MSSP into managed care within Cal MediConnect (CMC) demonstration counties. The updates shall include but not be limited to: (1) a list and brief summaries of stakeholder and transition meetings to date; (2) status updates on the transition work that has been completed or is in the process of being completed by each CMC demonstration county; (3) list of future tasks and activities that need to take place to effectively transition MSSP into managed care plans in all and each of the CMC demonstration counties by January 1, 2020, with estimated start and end dates and list of necessary stakeholders; (4) discussion of how the coordination and management of care will be conducted for various populations, including but not limited to individuals enrolled in a CMC plan, dual eligible beneficiaries that have opted out of CMC, Medi-Cal only seniors and persons with disabilities, and dual eligible that are ineligible for CMC, following the transition of MSSP into managed care; (5) any foreseen or potential issues or risks that may jeopardize the transition of MSSP into managed care or result in delays; and (6) a discussion of the Administration's long term vision of MSSP in the CMC demonstration counties if the pilot is discontinued, and how integration achieved thus far would be unwound without an adverse effect on the MSSP participants, as of December 31, 2019 and if the pilot continues on a more permanent basis.

4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT**ISSUE 46: LOW-INCOME WEATHERIZATION PROGRAM (LIWP) PHASE II****BACKGROUND**

The Subcommittee heard this issue at its April 5, 2017 hearing and took an action.

Recommended Subcommittee Action:

Replace the prior adopted action with the following:

1. Adopt placeholder trailer bill language regarding any future procurement for LIWP funds, imposing a requirement that eligible contractors must have a demonstrated history of service for three years, as of April 2017 or prior to the LIWP Phase II implementation, to the same geographic community or communities (e.g. county or counties) to which they are applying to serve in any way.
2. Adopt placeholder supplemental report language that requires, at minimum, quarterly updates in the form of meetings and documentation to the Legislature and stakeholders on the status of the current, and any future, procurement processes, to begin July 2017. Specific components to facilitate this oversight will be settled as the report language is drafted.

ISSUE 47: CSD GOVERNOR'S BUDGET PROPOSALS

	Issue	Prior Hearing Date	Reco for Action
A	Low-Income Weatherization Program Reappropriation - Requests reappropriation of any unexpended balances of fiscal year 2014-15 local assistance appropriations received from the Greenhouse Gas Reduction Fund (GGRF) to be available for encumbrance until the end of 2017-18 and liquidation until the end of 2018-19.	4/5	Approve as Budgeted

ISSUE 48: CSD MAY REVISION PROPOSAL

	Issue	Prior Hearing Date	Reco for Action
A	Program Number Change	15-May	Approve As Budgeted

5160 DEPARTMENT OF REHABILITATION (DOR)**ISSUE 49: DOR GOVERNOR'S BUDGET PROPOSALS**

	Issue	Prior Hearing Date	Reco for Action
A	Supported Employment Program: Increase job coaching rates - This BCP 5equests \$500k GF as on-going funding to match the increased supported employment (SE) provider hourly rate identified in the DDS June 2016 New Provider Rate memo as required by AB X2 1 of 2016 that increased DDS SE rates.	3/1	Approve As Budgeted
B	Information Security Compliance- The BCP requests 2.0 permanent full-time positions at a cost of \$280k GF to provide adequate staffing for DOR's Information Security Office (ISO), compliance with information security and privacy policies, standards, and procedures, and maintain the overall safety and security of DOR data.	3/1	Approve As Budgeted
C	California Innovations Program: Federal Work-Based Learning Grant for Students with Disabilities - The BCP requests 1.0 permanent full-time position, with no additional spending authority, to manage this \$9 million federal grant over a six-year total period.	3/1	Approve As Budgeted

5175 DEPARTMENT OF CHILD SUPPORT SERVICES (DCSS)**ISSUE 50: DCSS GOVERNOR'S BUDGET PROPOSALS**

	Issue	Prior Hearing Date	Reco for Action
A	Trailer Bill: Extend Suspension of Improved Performance Incentives - Allows for small savings from foregone spending that would occur without this statutory suspension.	4/5	Approve Trailer Bill Language As Proposed
B	Trailer Bill: Repeal Health Insurance Incentives Program -Allows for small savings from foregone spending that would occur without this statutory suspension.	4/5	Approve Trailer Bill Language As Proposed

ISSUE 51: DCSS MAY REVISION PROPOSAL

	Issue	Prior Hearing Date	Reco for Action
A	Local Assistance Estimate Change	15-May	Approve As Budgeted

0530 HEALTH AND HUMAN SERVICES AGENCY, OFFICE OF LAW ENFORCEMENT SUPPORT (OLES)

ISSUE 52: OLES GOVERNOR'S BUDGET PROPOSAL

	Issue	Prior Hearing Date	Reco for Action
A	Office of Law Enforcement Support (OLES) Request for Information Technology and Leased Vehicle Funding - The BCP requests funding of \$271k for 2017-18 and \$146 k GF BY+1 and ongoing for information technology upgrades and the leasing of eight vehicles.	4/26	Approve As Budgeted

ATTACHMENT I

Placeholder TBL for CalWORKs Mental Health and Substance Abuse Services and Contracting

SECTION 1. Section 11325.5 of the Welfare and Institutions Code is amended to read:

11325.5. (a) If, pursuant to the appraisal conducted pursuant to Section 11325.2 or assessment conducted pursuant to Section 11325.4, there is a concern that a mental disability exists that will impair the ability of a recipient to obtain employment, he or she shall be referred to the county mental health ~~department~~ department or a community-based provider, as necessary.

(b) Subject to appropriations in the Budget Act, the county mental health ~~department~~ or community-based provider shall evaluate the recipient and determine any treatment needs. The evaluation shall include the extent to which the individual is capable of employment at the present time and under what working and treatment conditions the individual is capable of employment. The evaluation shall include prior diagnoses, assessments, or evaluations that the recipient provides.

(c) Each county ~~welfare department~~ human services agency shall develop individual welfare-to-work plans for recipients with mental or emotional disorders based on the evaluation conducted by the mental health ~~department~~ department or community-based provider. The plan for the recipient shall include appropriate employment accommodations or restrictions, supportive services, and treatment requirements. Any prior diagnosis, evaluation, or assessment provided by the recipient shall be considered in the development of his or her individual welfare-to-work plan.

SEC. 2. Section 11325.7 of the Welfare and Institutions Code is amended to read:

11325.7. (a) It is the intent of the Legislature in enacting this section to create a funding stream and program that assists certain recipients of aid under this chapter to receive necessary mental health services, including case management and treatment, thereby enabling them to make the transition from welfare to work. This funding stream shall be used specifically to serve recipients in need of mental health services, and shall be accounted for and expended by each county in a manner that ensures that recipients in need of mental health services are receiving appropriate services.

(b) The county plan required by Section 10531 shall include a plan for the development of mental health employment assistance services, developed jointly by the county ~~welfare department~~ human services agency and the county department of mental health. The plan shall have as its goal the treatment of mental or emotional disabilities that may limit or impair the ability of a recipient to make the transition from ~~welfare to work~~, welfare to work, or that may limit or impair the ability to retain employment over a long-term period. The plan shall be developed in a manner consistent with both the county's welfare-to-work program and the county's consolidated mental health Medi-Cal services plan. The county may use ~~community-based~~ community-based providers, as necessary, that have experience in addressing the needs of the CalWORKs population. The county, whenever possible, shall ensure that the services provided qualify for federal reimbursement of the nonstate share of Medi-Cal costs.

(c) Subject to specific expenditure authority, mental health services available under this section shall include all of the following elements:

(1) Assessment for the purpose of identifying the level of the participant's mental health needs and the appropriate level of treatment and rehabilitation for the participant.

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(2) Case management, as appropriate, as determined by the county.

(3) Treatment and rehabilitation services, that shall include counseling, as necessary to overcome mental health barriers to employment and mental health barriers to retaining employment, in coordination with an individual's welfare-to-work plan.

(4) In cases ~~where~~ in which a secondary diagnosis of substance abuse is made in a person referred for mental or emotional disorders, the welfare-to-work plan shall also address the substance abuse treatment needs of the participant.

(5) A process by which the county can identify those with severe mental disabilities that may qualify them for aid under Chapter 3 (commencing with Section 12000).

(d) (1) Mental health services available under this section may also include the provision of mental health assessment, case management, and treatment and rehabilitation services, including counseling, for children of CalWORKs recipients.

(2) A parent in the assistance unit shall not be sanctioned in connection with her or his child's refusal or failure to participate in mental health services.

~~(d)~~

(c) Any funds appropriated by the Legislature to cover the nonfederal costs of the mental health employment assistance services required by this section shall be allocated consistent with the formula used to distribute each county's CalWORKs program allocation. Each county shall report annually to the state the number of CalWORKs program recipients who received mental health services and the extent to which the allocation is sufficient to meet the need for these services as determined by the county. The State Department of Health Care Services shall develop a uniform

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methodology for ensuring that this allocation ~~supplements~~ supplements, and does not ~~supplant~~ supplant, current expenditure levels for mental health services for this population.

SEC. 3. Section 11325.8 of the Welfare and Institutions Code is amended to read:

11325.8. (a) The county plan required by Section 10531 shall include a plan for the provision of substance abuse treatment services. The plan shall describe how the county ~~welfare department~~ human services agency and the county alcohol and drug program will collaborate to ensure an effective system is available to provide alcohol and drug services to recipients whose substance abuse creates a barrier to employment. The plan shall be developed in a manner that is consistent with the county's welfare-to-work program. Substance abuse treatment services shall include evaluation, substance abuse treatment, employment counseling, provision of community service jobs, or other appropriate services.

(b) It is the intent of the Legislature that substance abuse treatment services for participants shall be provided by the county alcohol and drug program, or by a nonprofit agency under contract with the county alcohol and drug program. If the county ~~welfare department~~ human services agency determines that the county alcohol and drug program is unable to provide the needed services, the county ~~department~~ human services agency may contract directly with a nonprofit state-licensed narcotic treatment program, residential facility, or certified nonresidential substance abuse program to obtain substance abuse services for a participant.

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(c) (1) A participant who is in a job search component of the county's welfare-to-work program may be directed at any time to an assessment by the job search manager if the county believes that the participant's substance abuse may limit or preclude his or her satisfactory completion of the job search component.

(2) During the assessment, if the case manager believes that substance abuse will impair the ability of the participant to obtain and retain employment, the case manager shall refer the participant to the county alcohol and drug program for an evaluation and determination of any treatment necessary for the participant's transition from welfare to work. If the county alcohol and drug program is unable to provide the necessary services, the county may refer the participant to a state-licensed or certified nonprofit agency under contract with the county to perform these services.

(3) If a participant is determined to have a substance abuse problem, based on an evaluation by the county alcohol and drug program or a nonprofit state-licensed narcotic treatment program, residential facility, or certified nonresidential substance abuse program, the case manager shall develop the participant's welfare-to-work plan based on the results of that evaluation. ~~In such a~~ that case, the participant's welfare-to-work plan may include appropriate treatment requirements, including assignment to a substance abuse program.

(4) A recipient of aid under this chapter shall be offered two opportunities to receive substance abuse treatment under subdivision (q) of Section 11322.6, except that the county may offer the recipient additional treatment opportunities.

(5) When a participant's welfare-to-work plan includes assignment to a treatment program, a case manager may determine that the participant is out of compliance with

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that plan if, at any time, in consultation with the substance abuse treatment provider, the county determines that the participant has failed or refused to participate in a treatment program without good cause. The assigned treatment program shall be reasonably accessible within the county of residence or a nearby county.

(6) When a case manager determines that a participant in a ~~treatment-program program~~, as specified in his or her ~~welfare-to-work-plan plan~~, is out of compliance with a program requirement other than participation in a required treatment program, the determination of whether the participant has good cause to be out of compliance shall include consideration of whether the participant's substance abuse problem caused or substantially contributed to the failure to comply with the program requirements. In this determination, the county shall consult the substance abuse treatment provider as appropriate.

(d) No recipient may participate in a substance abuse treatment program for longer than six months without concurrently participating in a work activity, to be determined by the county and the recipient, in consultation with the treatment provider. However, if the recipient is in a state-licensed residential facility or a certified nonresidential substance abuse program that requires him or her to stay at the program site for a minimum of three hours per day, three days per week, or otherwise not to participate in nonprogram activities, the requirements of the treatment program shall fulfill the recipient's work activity requirement.

(e) (1) Substance abuse services available under this section may also include the provision of substance abuse evaluation, determination of necessary treatment, and substance abuse treatment for children of CalWORKs recipients.

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(2) A parent in the assistance unit shall not be sanctioned in connection with her or his child's refusal or failure to participate in substance abuse services.

(e)

(f) Any funds appropriated by the Legislature for allocation to each county to eliminate barriers to employment due to participants' substance abuse problems employment assistance services required by this section shall be allocated consistent with the formula used to distribute each county's CalWORKs program allocation and shall be used to supplement, and not supplant, substance abuse treatment funds otherwise available to recipients. It is the intent of the Legislature that these funds be used to develop, expand, or develop and expand programs appropriate for CalWORKs program recipients. It is further the intent of the Legislature that, to the extent possible, these funds be used to maximize federal financial participation through Title XIX of the federal Social Security Act (Title 42 U.S.C. Sec. 1396 et seq.).

(f)

(g) Each county shall report annually to the state the number of CalWORKs program recipients who receive substance abuse treatment and the extent to which the allocation is sufficient to meet the need for substance abuse services, as determined by the county.

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ATTACHMENT II**Placeholder TBL for Multipurpose Senior Services Program**

SECTION 1. Section 14186 of the Welfare and Institutions Code is amended to read:

14186. (a) It is the intent of the Legislature that long-term services and supports (LTSS) be covered through managed care health plans in Coordinated Care Initiative counties.

(b) It is further the intent of the Legislature that all of the following occur:

(1) Persons receiving health care services through Medi-Cal receive these services through a coordinated health care system that reduces the unnecessary use of emergency and hospital services.

(2) Coordinated health care services, including medical, long-term services and supports, and enhanced care management be covered through Medi-Cal managed care health plans in order to eliminate system inefficiencies and align incentives with positive health care outcomes.

(3) Managed care health plans shall, in coordination with LTSS care management providers, develop and expand care coordination practices in consultation with counties, nursing facilities, area agencies on aging, and other home- and community-based providers, and share best practices. Unless the consumer objects, managed care health plans may establish care coordination teams as needed. If the consumer is an IHSS recipient, his or her participation and the participation of his or her provider shall be subject to the consumer's consent. These care coordination teams shall include the consumer, and his or her authorized representative, health plan, county social services agency, Community-Based Adult Services (CBAS) case manager for CBAS clients, 1

Multipurpose Senior Services Program (MSSP) case manager for MSSP clients, and, if an IHSS recipient, may include others.

(4) To the extent possible, for Medi-Cal beneficiaries also enrolled in the Medicare Program, ~~program~~, that the department work with the federal government to coordinate financing and incentives and permit managed care health plans to coordinate health care provided under both health care systems.

(5) The health care choices made by Medi-Cal beneficiaries be considered with regard to all of the following:

(A) Receiving care in a home- and community-based setting to maintain independence and quality of life.

(B) Selecting their health care providers in the managed care plan network.

(C) Controlling care planning, decisionmaking, and coordination with their health care providers.

(D) Gaining access to services that are culturally, linguistically, and operationally sensitive to meet their needs or limitations and that improve their health outcomes, enhance independence, and promote living in home- and community-based settings.

(E) Self-directing their care by being able to hire, fire, and supervise their IHSS provider.

(F) Being assured by the department and coordinating departments of their oversight of the quality of these coordinated health care services.

(6) (A) Counties continue to perform functions necessary for the administration of the IHSS program, including conducting assessments and determining authorized hours for recipients, pursuant to Article 7 (commencing with Section 12300) of Chapter ²

3. County agency assessments shall be shared with care coordination teams, when applicable. The county agency thereafter may receive and consider additional input from the care coordination team.

(B) Managed care health plans may authorize personal care services and related domestic services in addition to the hours authorized under Article 7 (commencing with Section 12300) of Chapter 3, which managed care health plans shall be responsible for paying at no share of cost to the county. The department, in consultation with the State Department of Social Services, shall develop policies and procedures for these additional benefits, which managed care health plans may authorize. The grievance process for these benefits shall be the same process as used for other benefits authorized by managed care health plans, and shall comply with Section 14450, and Sections 1368 and 1368.1 of the Health and Safety Code.

(7) (A) No later than December 31, 2017, or on the date the managed care health plans and MSSP providers jointly satisfy the readiness criteria developed pursuant to subparagraph (D) of paragraph (4) of subdivision (b) of Section 14186.3, whichever is earlier, MSSP services shall transition from a federal waiver pursuant to Section 1915(c) under the federal Social Security Act (42 U.S.C. Sec. 1396n(c)) to a benefit administered and allocated by managed care health plans in Coordinated Care Initiative counties.

(B) Notwithstanding Chapter 8 (commencing with Section 9560) of Division 8.5, it is also the intent of the Legislature that the provisions of this article shall apply to dual eligible and Medi-Cal-only beneficiaries enrolled in MSSP. It is the further intent of the Legislature that the department and managed care health plans shall work₃

in collaboration with MSSP providers to begin development of standards that create a model of care of an integrated, person-centered care management and care coordination model that works within the context of managed care, and explore which portions of the MSSP program model may be adapted to managed care while maintaining the integrity and efficacy of the MSSP ~~model~~. model to use as the basis of transition planning.

(C) At least 30 days before the MSSP services transition to a benefit administered and allocated by managed care health plans in Coordinated Care Initiative counties, the department shall notify the appropriate policy and fiscal committees of the Legislature of its intent to transition the MSSP services to managed care health plans.

(8) In lieu of providing nursing facility services, managed care health plans may authorize home- and community-based services plan benefits, as defined in subdivision (d) of Section 14186.1, which managed care health plans shall be responsible for paying at no share of cost to the county.

(c) If the Coordinated Care Initiative becomes inoperative pursuant to Section 34 of Chapter 37 of the Statutes of 2013, MSSP services shall be governed by the provisions of Chapter 8 (commencing with Section 9560) of Division 8.5.

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