

# AGENDA

## ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER JUDY CHU, CHAIR

FRIDAY, JANUARY 17, 2002  
STATE CAPITOL, ROOM 4202  
10:00 A.M.

---

---

### CONSENT CALENDAR

ITEM	DESCRIPTION	PAGE
4170	DEPARTMENT OF AGING	3
CONSENT	REDUCE OUT OF STATE TRAVEL	3
CONSENT	DISENCUMBRANCE FOR 2001-02 LOCAL ASSISTANCE CONTRACTS (PRIOR YEAR)	3
CONSENT	CANCELLATION OF 2001-02 REAPPROPRIATION CONTRACT	4
CONSENT	REDUCTION OF THE COMMUNITY-BASED SERVICES PROGRAM	4
CONSENT	REDUCTION OF THE DATA ANALYSIS AND RESEARCH UNIT	5
4700	DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT	5
CONSENT	CAL-LIHEAP FUNDING REVERSION	5
5175	DEPARTMENT OF CHILD SUPPORT SERVICES	6
CONSENT	REDUCE OUT OF STATE TRAVEL	6
CONSENT	INCREASE FEDERAL INCENTIVES	6
CONSENT	PRIOR YEAR CONTRACT AND PURCHASE ORDER DISENCUMBRANCE	7
CONSENT	AUTOMATION PROJECT DEFERRALS	7
5180	DEPARTMENT OF SOCIAL SERVICES	7
CONSENT	REDUCE OUT OF STATE TRAVEL	7
CONSENT	FOSTER CARE BIENNIAL RATE ADJUSTMENT	8
CONSENT	REDUCE DIRECT COMPLAINT CORRESPONDENCE	9
CONSENT	ADDITIONAL PAST YEAR SAVINGS	9
4130	HEALTH AND HUMAN SERVICES AGENCY DATA CENTER	10
CONSENT	MINOR EQUIPMENT REPLACEMENT	10

<b>CONSENT</b>	<b>INTRANET/EXTRANET PROJECTS</b>	<b>10</b>
<b>CONSENT</b>	<b>DESKTOP SUPPORT</b>	<b>11</b>
<b>CONSENT</b>	<b>EXTERNAL CONTRACTS/CSUS STUDENT ASSISTANTS</b>	<b>11</b>
<b>CONSENT</b>	<b>EXTERNAL CONTRACTS/R&amp;D</b>	<b>12</b>
<b>CONSENT</b>	<b>EXTERNAL CONTRACTS/IT SUPPORT</b>	<b>12</b>
<b>CONSENT</b>	<b>SOFTWARE/WINDOWS 2000</b>	<b>13</b>
<b>CONSENT</b>	<b>PERFORMANCE MEASURES PROJECT</b>	<b>13</b>
<b>CONSENT</b>	<b>OPERATIONAL INTEGRITY PROGRAM</b>	<b>14</b>
<b>CONSENT</b>	<b>HIPAA PROJECT</b>	<b>14</b>
<b>CONSENT</b>	<b>AUTOMATION NOTIFICATION PROJECT</b>	<b>15</b>
<b>CONSENT</b>	<b>REDUCE OUT OF STATE TRAVEL</b>	<b>15</b>
<b>4200</b>	<b>DEPARTMENT OF DRUG AND ALCOHOL PROGRAMS</b>	<b>16</b>
<b>4440</b>	<b>DEPARTMENT OF MENTAL HEALTH</b>	<b>17</b>
<b>CONSENT</b>	<b>REDUCE OUT OF STATE TRAVEL</b>	<b>17</b>

**ITEMS TO BE HEARD**

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>PAGE</b>
<b>5180</b>	<b>DEPARTMENT OF SOCIAL SERVICES</b>	<b>18</b>
<b>ISSUE 1</b>	<b>SUSPENSION OF THE 2002-2003 AND 2003-2004 SSI/SSP COLAs</b>	<b>19</b>
<b>ISSUE 2</b>	<b>SUSPENSION OF THE 2002-2003 AND 2003-2004 CALWORKS COLAs</b>	

**4170 DEPARTMENT OF AGING**

---

---

**CONSENT ISSUE: REDUCTION OF OUT OF STATE TRAVEL**

The December Revise contains a proposed reduction to the Department of Aging out-of-state travel.

**BACKGROUND:**

The December Revise proposes to reduce the Department of Aging out-of-state travel by \$6,000 in the current year and \$4,000 in the budget year. The Department of Aging travels out of state to attend conferences and to attend meetings with the Federal Government.

The Department's approved blanket for 2002-03 is \$57,800 for various types of travel. Generally, reasons for out-of-state travel are to present and/or attend national conferences and meetings on aging issues (sponsored by organizations such as the Administration on Aging, the National Association of State Units on Aging, the American Society on Aging, or the National Council on Aging) or required attendance in accordance with grant terms and conditions. The Department has eliminated/reduced 7 trips in the current year to achieve these savings.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**4170 DEPARTMENT OF AGING**

---

---

**CONSENT ISSUE: DISENCUMBERANCE FOR 2001-02 LOCAL ASSISTANCE CONTRACTS (PRIOR YEAR)**

The December Revise proposes to disencumber a local assistance contract for current year savings for \$500,000.

**BACKGROUND:**

The December Revise proposes to disencumber a local assistance contracts for current year savings for \$500,000. These funds were not expended last year and can be recaptured with no policy impact.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**4170 DEPARTMENT OF AGING**

---

---

**CONSENT ISSUE: CANCELLATION OF 2001-02 REAPPROPRIATION CONTRACT**

The December Revise proposes to cancel a reappropriation contract for current year savings for \$500,000.

**BACKGROUND:**

The December Revise proposes to cancel a reappropriation contract for current year savings for \$500,000. The contract was with the Chinese Benevolence Association of San Francisco to construct an Adult Day Health Center in San Francisco. The Department reports two years after receiving these funds, the contractor has not begun the preliminary steps necessary for construction.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**4170 DEPARTMENT OF AGING**

---

---

**CONSENT ISSUE: REDUCTION OF THE COMMUNITY-BASED SERVICES PROGRAM**

The December Revise proposes to eliminate one position in the current year for a \$66,000 General Fund savings and eliminate three positions for a budget year savings of \$135,000.

**BACKGROUND:**

The December Revise proposes to eliminate one position in the current year for a \$66,000 General Fund savings and eliminate three positions for a budget year savings of \$135,000.

The administration of the Community-Based Services program supports a variety of programs including the Adult Day Health Care programs and the Linkages program.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**4170 DEPARTMENT OF AGING**

---

---

**CONSENT ISSUE: REDUCTION OF THE DATA ANALYSIS AND RESEARCH UNIT**

The December Revise proposes to eliminate one position in the Department of Aging Data Analysis and Research Unit for a current year General Fund savings of \$66,000 and a budget year General Fund savings of \$77,000.

**BACKGROUND:**

The December Revise proposes to eliminate one position in the Department of Aging Data Analysis and Research Unit for a current year General Fund savings of \$66,000 and a budget year General Fund savings of \$77,000.

The proposed reduction would eliminate a position that was budgeted to provide analysis of case studies and conduct research on aging issues. The position is currently vacant.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT**

---

---

**CONSENT ISSUE: CAL-LIHEAP FUNDING REVERSION**

The December Revise proposes to revert unspent Cal-LIHEAP funding for a current year savings of \$285,000.

**BACKGROUND:**

The December Revise proposes to revert unspent Cal-LIHEAP funding for a current year savings of \$285,000. The California Low Income Heating and Energy Assistance Program (Cal-LIHEAP) was established in 2001 in response to California's energy crisis, the program supplements that federal LIHEAP. The proposal would eliminate the remaining funds available for the Cal-LIHEAP program

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**5175 DEPARTMENT OF CHILD SUPPORT SERVICES**

---

---

**CONSENT ISSUE: REDUCE OUT-OF-STATE TRAVEL**

The December Revise proposes to reduce Department of Child Support Services out-of-state travel of a current year savings of \$5,000.

**BACKGROUND:**

The December Revise proposes to reduce the Department of Child Support Services out-of-state travel.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**5175 DEPARTMENT OF CHILD SUPPORT SERVICES**

---

---

**CONSENT ISSUE: INCREASE FEDERAL INCENTIVES**

The December Revise proposes to increase federal incentives for child support services to offset General Fund support for a \$9 million General Fund savings.

**BACKGROUND:**

The December Revise proposes to increase federal incentives for child support services to offset General Fund support for a savings of \$9 million. For the 2002-2003 Federal Fiscal Year, the State received more federal incentives than projected in the 2002-2003 Budget. The December Revise proposal would allow the State to capture these federal incentives to offset General Fund support of child support services operations.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**5175 DEPARTMENT OF CHILD SUPPORT SERVICES**

---

---

**CONSENT ISSUE: PRIOR YEAR CONTRACT AND PURCHASE ORDER  
DISENCUMBRANCE**

The December Revise proposes to disencumber prior year contracts and purchase orders for a current year savings of \$656,000.

**BACKGROUND:**

The December Revise proposes to disencumber prior year contracts and purchase orders for a current year savings of \$656,000. This current year savings capture's prior year funds that were not expended with no impact upon the current level of services.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**5175 DEPARTMENT OF CHILD SUPPORT SERVICES****CONSENT ISSUE: AUTOMATION PROJECT DEFERRALS**

The December Revise proposes to capture \$507,000 General Fund savings associated with the deferral of automation projects.

**BACKGROUND:**

The December Revise proposes to capture \$507,000 General Fund savings associated with the deferral of automation projects. Deferring for one year some maintenance and modifications to automation applications.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**5180 DEPARTMENT OF SOCIAL SERVICES****CONSENT ISSUE: REDUCE OUT-OF-STATE TRAVEL**

The December Revise proposes to reduce Department of Social Services out-of-state travel with a current year savings of 79,000 General Fund and a budget year savings of \$112,000 General Fund.

**BACKGROUND:**

The December Revise proposes to reduce the Department of Social Services' out-of-state travel. The Department comments that it will curtail attending conferences and will reduce the number of staff that travel to out of state meetings and conferences.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**5180 DEPARTMENT OF SOCIAL SERVICES**

---

---

**CONSENT ISSUE: FOSTER CARE BIENNIAL RATE ADJUSTMENT**

The December Revise proposes to achieve current year savings of \$50,000 (30,000 General Fund) and a budget year savings of \$197,000 (\$118,000 and General Fund) by reducing the frequency of foster care rate adjustments.

**BACKGROUND:**

The December Revise proposes to achieve current year savings of \$50,000 (30,000 General Fund) and a budget year savings of \$197,000 (\$118,000 and General Fund) by reducing the frequency of foster care rate adjustments.

Current regulations require that a foster care rate be established on an annual basis for a non-profit corporation that is licensed to operate a group home program and/or a Foster Family Agency. The rate is paid for the provision of board and care for children who have been placed in foster care.

In order to receive a rate, a licensed provider must apply to Department of Social Services. Following initial establishment of the provider's rate, an application is due each year in order to continue receiving a foster care rate. The annual rate applications are reviewed for completeness and compliance with statute and regulations. The review may require written and/or verbal requests for additional information. Once the provider has met all the requirements, a letter is issued establishing a new rate.

The December Revise proposes includes Trailer Bill Language that would change the policy so that the rate would be changed once every other year, instead an annual rate adjustment.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.



**5180 DEPARTMENT OF SOCIAL SERVICES**

---

---

**CONSENT ISSUE: REDUCE DIRECT COMPLAINT CORRESPONDENCE**

The December Revise proposes to eliminate 3.0 positions in the Department of Social Services Complaint Correspondence unit for a current year savings of \$50,000 (\$25,000 General Fund) in the current year and \$197,000 (\$99,000 General Fund).

**BACKGROUND:**

The December Revise proposes to eliminate 3.0 positions in the Department of Social Services Complaint Correspondence unit for a current year savings of \$50,000 (\$25,000 General Fund) in the current year and \$197,000 (\$99,000 General Fund). The Complaint Correspondence Unit responds to statewide complaints relating to child welfare services.

The Department of Social Services plans to automate the phone system and generic letters of response in handling cases to reduce the workload of this unit.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**5180 DEPARTMENT OF SOCIAL SERVICES**

---

---

**CONSENT ISSUE: ADDITIONAL PAST YEAR SAVINGS**

The December Revise proposes to capture past year savings for a current year savings for a current year savings of \$710,000 (\$276,000 General Fund).

**BACKGROUND:**

The December Revise proposes to capture past year savings for a current year savings for a current year savings of \$710,000 (\$276,000 General Fund). The proposal captures savings from the 2001-2002 Fiscal Year, with no policy impact.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**4130 HEALTH AND HUMAN SERVICES AGENCY DATA CENTER**

---

---

**CONSENT ISSUE: MINOR EQUIPMENT REPLACEMENT**

The December Revise proposes a reduction to current year expenditures for minor equipment replacement in the Health and Human Services Agency Data Center for a savings of \$26,000 in reimbursements.

**BACKGROUND:**

The December Revise proposes a reduction to current year expenditures for minor equipment replacement for a savings of \$26,000 in reimbursements.

The Health and Human Services Agency Data Center provides Information Technology support client departments within the Health and Human Services Agency. This reduction to the operations of the Health and Human Services Agency Data Center results in General Fund savings in the Department of Social Services' budget.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**4130 HEALTH AND HUMAN SERVICES AGENCY DATA CENTER**

---

---

**CONSENT ISSUE: INTRANET/EXTRANET PROJECTS**

The December Revise proposes a reduction to current year expenditures for intranet/extranet projects for a savings of \$60,000 in reimbursements.

**BACKGROUND:**

The December Revise proposes a reduction to current year expenditures for intranet/extranet projects for a savings of \$60,000 in reimbursements.

The Health and Human Services Agency Data Center provides Information Technology support to client departments within the Health and Human Services Agency. This reduction to the operations of the Health and Human Services Agency Data Center results in General Fund savings in the Department of Social Services' budget.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**4130 HEALTH AND HUMAN SERVICES AGENCY DATA CENTER**

---

---

**CONSENT ISSUE: DESKTOP SUPPORT**

The December Revise proposes a reduction to current year expenditures for desktop support for a savings of \$95,000 in reimbursements.

**BACKGROUND:**

The December Revise proposes a reduction to current year expenditures for desktop support for a savings of \$95,000 in reimbursements.

The Health and Human Services Agency Data Center provides Information Technology support to client departments within the Health and Human Services Agency. This reduction to the operations of the Health and Human Services Agency Data Center results in General Fund savings in the Department of Social Services' budget.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**4130 HEALTH AND HUMAN SERVICES AGENCY DATA CENTER**

---

---

**CONSENT ISSUE: EXTERNAL CONTRACTS/CSUS STUDENT ASSISTANTS**

The December Revise proposes a reduction to current year expenditures for external contracts/CSUS student assistants for a savings of \$25,000 in reimbursements.

**BACKGROUND:**

The December Revise proposes a reduction to current year expenditures for external contracts/CSUS student assistants for a savings of \$25,000 in reimbursements.

The Health and Human Services Agency Data Center provides Information Technology support to client departments within the Health and Human Services Agency. This reduction to the operations of the Health and Human Services Agency Data Center results in General Fund savings in the Department of Social Services' budget.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**4130 HEALTH AND HUMAN SERVICES AGENCY DATA CENTER**

---

---

**CONSENT ISSUE: EXTERNAL CONTRACTS/R&D**

The December Revise proposes a reduction to current year expenditures for external contracts for research and development for a savings of \$24,000 in reimbursements.

**BACKGROUND:**

The December Revise proposes a reduction to current year expenditures for external contracts for research and development for a savings of \$24,000 in reimbursements.

The Health and Human Services Agency Data Center provides Information Technology support to client departments within the Health and Human Services Agency. This reduction to the operations of the Health and Human Services Agency Data Center results in General Fund savings in the Department of Social Services' budget.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**4130 HEALTH AND HUMAN SERVICES AGENCY DATA CENTER**

---

---

**CONSENT ISSUE: EXTERNAL CONTRACTS/IT SUPPORT**

The December Revise proposes a reduction to current year expenditures for external contracts for information technology support for a savings of \$30,000 in reimbursements.

**BACKGROUND:**

The December Revise proposes a reduction to current year expenditures for external contracts for information technology support for a savings of \$30,000 in reimbursements.

The Health and Human Services Agency Data Center provides Information Technology support to client departments within the Health and Human Services Agency. This reduction to the operations of the Health and Human Services Agency Data Center results in General Fund savings in the Department of Social Services' budget.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**4130 HEALTH AND HUMAN SERVICES AGENCY DATA CENTER**

---

---

**CONSENT ISSUE: SOFTWARE/WINDOWS 2000**

The December Revise proposes a reduction to current year expenditures for software upgrades for a savings of \$25,000 in reimbursements.

**BACKGROUND:**

The December Revise proposes a reduction to current year expenditures for software upgrades for a savings of \$25,000 in reimbursements.

The Health and Human Services Agency Data Center provides Information Technology support to client departments within the Health and Human Services Agency. This reduction to the operations of the Health and Human Services Agency Data Center results in General Fund savings in the Department of Social Services' budget.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**4130 HEALTH AND HUMAN SERVICES AGENCY DATA CENTER**

---

---

**CONSENT ISSUE: PERFORMANCE MEASURES PROJECT**

The December Revise proposes a reduction to current year expenditures for the performance measures project for a savings of \$11,000 in reimbursements.

**BACKGROUND:**

The December Revise proposes a reduction to current year expenditures for the performance measures project for a savings of \$11,000 in reimbursements.

The Health and Human Services Agency Data Center provides Information Technology support to client departments within the Health and Human Services Agency. This reduction to the operations of the Health and Human Services Agency Data Center results in General Fund savings in the Department of Social Services' budget.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**4130 HEALTH AND HUMAN SERVICES AGENCY DATA CENTER**

---

---

**CONSENT ISSUE: OPERATIONAL INTEGRITY PROGRAM**

The December Revise proposes a reduction to current year expenditures for the operational integrity program for a savings of \$14,000 in reimbursements.

**BACKGROUND:**

The December Revise proposes a reduction to current year expenditures for the operational integrity program for a savings of \$14,000 in reimbursements.

The Health and Human Services Agency Data Center provides Information Technology support to client departments within the Health and Human Services Agency. This reduction to the operations of the Health and Human Services Agency Data Center results in General Fund savings in the Department of Social Services' budget.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**4130 HEALTH AND HUMAN SERVICES AGENCY DATA CENTER**

---

---

**CONSENT ISSUE: HIPAA PROJECT**

The December Revise proposes a reduction to current year expenditures for the HIPAA project for a savings of \$70,000 in reimbursements.

**BACKGROUND:**

The December Revise proposes a reduction to current year expenditures for the HIPAA project for a savings of \$70,000 in reimbursements.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) is a federal mandate that requires all portability of all health insurance information. This federal change has required changes to several of the data systems that HHSDC oversees.

The Health and Human Services Agency Data Center provides Information Technology support to client departments within the Health and Human Services Agency. This reduction to the operations of the Health and Human Services Agency Data Center results in General Fund savings in the Department of Social Services' budget.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**4130 HEALTH AND HUMAN SERVICES AGENCY DATA CENTER**

---

---

**CONSENT ISSUE: AUTOMATION NOTIFICATION PROJECT**

The December Revise proposes a reduction to current year expenditures for the automation notification project for a savings of \$45,000 in reimbursements.

**BACKGROUND:**

The December Revise proposes a reduction to current year expenditures for the automation notification project for a savings of \$45,000 in reimbursements.

The Health and Human Services Agency Data Center provides Information Technology support to client departments within the Health and Human Services Agency. This reduction to the operations of the Health and Human Services Agency Data Center results in General Fund savings in the Department of Social Services' budget.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**4130 HEALTH AND HUMAN SERVICES AGENCY DATA CENTER**

---

---

**CONSENT ISSUE: REDUCE OUT-OF-STATE TRAVEL**

The December Revise proposes a reduction to current year expenditures for out-of-state travel for a savings of \$47,000 in reimbursements in the current year and \$87,000 in reimbursements in the budget year.

**BACKGROUND:**

The December Revise proposes a reduction to current year expenditures for out-of-state travel for a savings of \$47,000 in reimbursements in the current year and \$87,000 in reimbursements in the budget year.

The Health and Human Services Agency Data Center provides Information Technology support to client departments within the Health and Human Services Agency. This reduction to the operations of the Health and Human Services Agency Data Center results in General Fund savings in the Department of Social Services' budget.

**CONSENT ACTION:**

Adopt the proposed December Revise reduction.

**ITEM # 4200 DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS****CONSENT: DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS REDUCTIONS**

The December Revision proposes to generate \$1.936 million in General Fund savings from reductions and transfers within the Department of Alcohol and Drug Programs.

**BACKGROUND:**

PROPOSED REDUCTION	CURRENT YEAR SAVINGS (GENERAL FUND)	BUDGET YEAR SAVINGS (GENERAL FUND)
Revert Prior Year Alcohol and Other Drug Services	\$1,000,000	\$0
Revert Prior Year Department Administration Funding	\$400,000	\$0
Revert Unspent Drug Medi-Cal Funds	\$253,000	\$0
Reduce out-of-state Travel	\$3,000	\$7,000
Transfer to General Fund from Audit Repayment Trust Fund (Fund 0816)	\$273,000	\$0
<b>Total</b>	<b>\$1,929,000</b>	<b>\$7,000</b>

**Revert Prior Year Alcohol and Other Drug Services:** The 2001 Budget Act provided \$40.4 million General Fund for various non-Medi-Cal alcohol and drug services programs. The Administration proposes that \$1 million of this funding be reverted to achieve General Fund savings in 2002-03. These savings are the result of lower than estimated local administrative expenditures, and reversion of these funds will not result in program reductions.

**Revert Unspent Drug Medi-Cal Funds:** The 2002 Budget Act provided \$46.8 million General Fund for Drug Medi-Cal funding. After allocating administration funding by formula to the counties, \$253,000 is projected to remain unspent, which the Administration proposes for reversion to achieve current year savings.

**Audit Repayment Trust Fund:** DADP collects repayments of state funds resulting from audits of local contracts. The fund is permitted \$67,000 total. It is proposed to transfer \$273,000, the amount the fund is exceeding its allowance, from the Audit Repayment Fund to the General Fund. This transfer will not result in programmatic reductions.

**CONSENT**

Approve December Revision reductions and transfers in the Department of Alcohol and Drug Programs.



**ITEM # 4440 DEPARTMENT OF MENTAL HEALTH****CONSENT: DEPARTMENT OF MENTAL HEALTH REDUCTIONS**

The December Revision proposes to achieve General Fund savings in the current year and budget year from reductions to the Department of Mental Health.

**BACKGROUND:**

PROPOSED REDUCTION	CURRENT YEAR SAVINGS (GENERAL FUND)	BUDGET YEAR SAVINGS (GENERAL FUND)
Amend Protocols for Mentally Disordered Offender (MDO) Evaluations	\$300,000	\$300,000
Reduce Funding for HIPAA Activities	\$270,000	\$0
Reduce Funding for new Pre-admission Screening and Resident Reviews (PASRR) for Mental Illness Activities	\$232,000	\$0
Reduce out-of-state Travel	\$17,000	\$37,000
<b>Total</b>	<b>\$819,000</b>	<b>\$337,000</b>

**COMMENTS:**

**Mentally Disordered Offender (MDO) Evaluations Protocols:** The DMH states that the California Department of Corrections evaluates the same clients as the DMH in the Mentally Disordered Offenders Evaluations. As a result, the DMH argues that there is not a great need for duplication, and that there will not be a public safety threat.

**Reduced Funding for HIPAA Activities:** The DMH contends that the savings captured in this reversion are expected due to the late implementation of the Budget Act of 2002, and the hiring freeze. Consequently, the DMH will likely have a difficulty meeting the federally imposed HIPAA deadlines. However, it is possible that all state departments are facing similar problems.

**Pre-admission Screening and Resident Review (PASRR):** The expansion of the screening program for non-Medi-Cal residents of nursing facilities was delayed because of the late budget in 2002. As a result, there are unencumbered funds the Administration is able to revert to the General Fund. The DMH contends that it has made significant progress in coming into compliance with federal regulations regarding the pre-admission screening, and consequently, it should not run into problems with the federal government over implementation of the program.

**Reduce Out of State Travel:** The DMH reduced travel plans for the director and several deputy directors and lowered the cost allowance for employees while traveling. The DMH believes that these reductions will not affect the quality of care or coordination with other mental health organizations.

**CONSENT**

1. Amend Protocols for MDO Evaluations
2. Reduce HIPAA Funding
3. Reduce PASRR Funding
4. Reduce out-of-state travel

## ITEMS TO BE HEARD

### 5180 DEPARTMENT OF SOCIAL SERVICES

#### ISSUE 1: SUSPENSION OF THE 2002-2003 AND 2003-2004 SSI/SSP COLAS

The December Revise proposes to suspend the 2002-2003 and 2003-2004 Supplemental Security Income/State Supplemental Program (SSI/SSP) grant Cost of Living Adjustments (COLA).

#### BACKGROUND:

The December Revise proposes to suspend the June 1, 2003 and January 1, 2004 SSI/SSP COLAs for a savings of \$24.1 million General Fund in the current year and \$328 million General Fund in the Budget Year.

The SSI/SSP program provides cash aid to extremely low-income aged and disabled individuals and couples that are not eligible for Social Security. Over 1.1 million people receive SSI/SSP in California.

The 2002-2003 Budget contained two SSI/SSP COLAs: 1) a federally funded COLA of 1.4% provided on January 1, 2003 and 2) a State 2.0% COLA, effective June 1, 2003. The December Revise proposes to suspend the State COLA. The December Revise will not effect the federal COLA or future SSI/SSP COLAs granted by the Federal government.

The table below illustrates the 2002-2003 budgeted COLA's effect on the grant level:

SSI/SSP	June 2003 Grant Level under current law	December Revise proposed grant level for June 2003	Difference
Individuals	\$ 778	\$ 757	\$ 21
Couples	\$ 1,382	\$ 1,344	\$ 38

**COMMENTS:**

If the December Revise proposal were adopted, the grant would remain at its January level. Language contained in the December Revise would suspend the State SSI/SSP COLA until January 1, 2005.

The January budget also includes a budget year proposal to reduce the SSI/SSP grant level to the minimum level allowed by the federal government, a reduction of 6.3 percent.

**5180 DEPARTMENT OF SOCIAL SERVICES****ISSUE 2: SUSPENSION OF THE 2002-2003 AND 2003-2004 CALWORKS COLAS**

The December Revise proposes to suspend the 2002-2003 and 2003-2004 CalWORKs Cost of Living Adjustment (COLA).

**BACKGROUND:**

The December Revise proposes to suspend the June 1, 2003 CalWORKs COLA for a savings of \$12.2 million General Fund in the current year and \$235.4 million all funds (\$80.3 million General Fund) in the budget year.

The CalWORKs program provides cash aid to low income families with children. CalWORKs is California's version of the Federal Temporary Assistance for Needy Families (TANF) program. Approximately 1.4 million adults and children in half a million households receive CalWORKs.

The 2002-2003 Budget provides a 3.7 % COLA for CalWORKs effective June 1, 2003. The budgeted COLA would have the following impact upon the grant level for a family of three:

<b>CalWORKS</b>	<b>Current Grant Level</b>	<b>June 2003</b>	<b>Difference</b>
High Cost Counties	679	704	25
Low Cost Counties	647	671	24

**COMMENTS:**

If the December Revise proposal were adopted, the CalWORKs grant would not change from its current level until October 1, 2004.

The January budget also includes a budget year proposal to reduce the CalWORKs grant level by 6.3 percent.

---