

AGENDA

Part C: DSS, CDA, and Automation

ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER TONY THURMOND, CHAIR

THURSDAY, MAY 21, 2015

10:00 A.M. - STATE CAPITOL, ROOM 4202

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VOTE-ONLY CALENDAR

5180 DEPARTMENT OF SOCIAL SERVICES

The Subcommittee in its previous hearings, as noted, has heard the following issues. Please see those agendas for additional detail on the subjects listed.

Issue	Proposal Title	Hearing Date	Staff Recommendation
1	Federal Immigration Reform Impact for DSS Programs New Premise	May 19	Approve as Budgeted
2	WTW 24-Month Clock Estimate Changes	May 19	Approve as Budgeted
3	CaWORKs Non-MOE Long-Term Sanction New Premise with Trailer Bill Language	May 19	Approve as Budgeted with Governor's proposal as placeholder Trailer Bill Language (TBL)
4	Trailer Bill Clean-Up of Statute Affecting Drug Felon Eligibility	May 19	Approve Governor's proposal as placeholder TBL
5	Trailer Bill Clean-Up for CaWORKs Housing Support Program	May 19	Approve Governor's proposal as placeholder TBL
6	DAPA/DACA Legal Services Funding	April 29, May 19	Approve a modification of the Governor's May Revision proposal (including the two positions at DSS) with the following, with conforming placeholder TBL: <ul style="list-style-type: none"> • An additional \$15 million General Fund (on-going). • Permit a grant-based program. • Allow for funds to be used for outreach, education and naturalization assistance. Staff will work with DOF on associated Budget Bill Language (BBL) to conform to this action.
7	Services to Commercially Sexually Exploited Children (CSEC) and Strengthening Families Act	May 19	Approve Governor's May Revise proposal with regard to the compliance with new federal law, however augment the proposal by \$3.25 million General Fund to avoid erosion of the \$14 million General Fund in 2015-16 and ongoing for the CSEC program that was enacted as part of the 2014 Budget. This is included in the Foster Care Package issue in this agenda.

Issue	Proposal Title	Hearing Date	Staff Recommendation
8	CWS Case Record Reviews	May 19	Approve as Budgeted
9	Child Welfare Training Program Performance Data	May 19	Approve as Budgeted
10	Psychotropic Medication for Children in Foster Care		Approve as Budgeted
11	Trailer Bill Proposal on Intensive Treatment Foster Care Rate	May 19	Approve the Governor's proposal as placeholder TBL
12	Drought Food Assistance Program	May 19	Approve as Budgeted
13	CalFresh Reporting Simplification: Eliminate Change Reporting	May 19	Approve as Budgeted
14	SSI/SSP COLA	March 11	Provide a SSP COLA starting Jan. 1, 2016, with a cost of \$33 million General Fund, \$65.7 million full year cost, with placeholder TBL to effectuate this change.
15	CalWORKs COLA	February 25	Provide a CalWORKs COLA starting Jan. 1, 2016, with a cost of \$ \$46 million General Fund, \$91.9 million full year cost, with placeholder TBL to effectuate this change.
16	Housing Support Program	February 25	Provide an augmentation of \$30 million General Fund in 2015-16 and on-going for the CalWORKs Housing Support Program. Make any necessary BBL or TBL changes to correspond to this.
17	Repeal of Maximum Family Grant (MFG) Rule	February 25	Conform to action taken in the Senate on the MFG, with placeholder TBL to effectuate this change.
18	State Emergency Food Assistance Program (SEFAP)	February 25	Provide \$3 million in on-going support for the SEFAP
19	Community Care Licensing Next Phase Quality Enhancement and Program Improvement BCP and TBL	March 18	Approve as Budgeted with placeholder TBL per the administration's proposal

ISSUE 20: CALWORKS IMPLEMENTATION MONITORING AND OVERSIGHT

The Subcommittee heard and discussed this issue at its February 25, 2015 hearing.

Staff Recommendation:

Approve Supplemental Reporting Language as follows:

The State Department of Social Services, in consultation with stakeholders, including counties, advocates, and legislative staff, shall convene an oversight workgroup to assess the emerging effects on CalWORKs recipients, their families, and program administration, of recent policy changes including, but not limited to, those enacted by Chapter 41 of the Statutes of 2012 and Chapter 21 of the Statutes of 2013. The workgroup shall examine the effects of these changes in the context of the experiences of program administrators, advocates, and recipients, as well as available data on caseload and welfare-to-work participation trends, such as the rate of adults removed from the aided unit pursuant to Section 11327.5 and subdivision (f) of Section 11322.85 of the Welfare and Institutions Code. The Department may reconvene a previously existing workgroup to fulfill the requirement of this subdivision. The workgroup shall commence meeting no later than September 2015, and shall convene no less than once every four months thereafter through 2017-18. At Legislative hearings on the 2016-17 and 2017-18 budgets, the Department of Social Services shall discuss the workgroup's activities and observations.

ISSUE 21: CALFRESH REPORTING SIMPLIFICATION AND ELIMINATION OF CHANGE REPORTING

The Subcommittee heard and discussed this issue at its February 25, 2015 hearing and approved the Governor's Budget Local Assistance proposal at its April 29, 2015 hearing. Since then, advocates have requested the following technical changes to statute governing change reporting, allowing California to provide the maximum number of months allowable under federal law, to which the Department of Social Services has not raised objections.

Staff Recommendation:

Approve the trailer bill language clean-up changes as shown below as placeholder.

Section 18901.10.1 is added to read:

~~In order to maximize participation and reduce administrative burden of duplicate paperwork, except for when a county is complying with subsection (b) of Section 18910 of this code, a CalFresh certification period shall not be shorter than the maximum number of months allowable under federal law.~~

It is the intent of the legislature that all CalFresh households shall be assigned certification periods that are the maximum number of months allowable under federal law based on the household's circumstances, unless a county is complying with subdivision (b) of Section 18910.

Section 18910 is amended to read:

18910. (a) To the extent permitted by federal law, regulations, waivers, and directives, the department shall implement the prospective budgeting, semiannual reporting system provided in Sections 11265.1, 11265.2, and 11265.3, and related provisions, regarding CalFresh, in a cost-effective manner that promotes compatibility between the CalWORKs program and CalFresh, and minimizes the potential for payment errors.

(b) For CalFresh recipients who also are Medi-Cal beneficiaries and who are subject to the Medi-Cal midyear status reporting requirements, counties shall seek to align the timing of reports required under this section with midyear status reports required by the Medi-Cal program. *This paragraph shall not apply to CalFresh households in which all adult members meet the CalFresh definition of elderly or disabled, and the household has no earned income.*

(c) The department shall seek all necessary waivers from the United States Department of Agriculture to implement subdivision (a).

(d) Counties may establish staggered, semiannual reporting cycles for individual households, based on factors established or approved by the department, provided the semiannual reporting cycle is aligned with the certification period; however, all households within a county must be transitioned to a semiannual reporting system simultaneously. Up to and until the establishment of a countywide semiannual reporting system, a county shall operate a quarterly system, as established by law and regulation.

(e) The requirement of subdivision (e) of Section 11265.1 shall apply to the implementation of this section.

(f) (1) This section shall become operative on April 1, 2013. A county shall implement the semiannual reporting requirements in accordance with the act that added this section no later than October 1, 2013.

(2) Upon implementation described in paragraph (1), each county shall provide a certificate to the director certifying that semiannual reporting has been implemented in the county.

(3) Upon filing the certificate described in paragraph (2), a county shall comply with the semiannual reporting provisions of this section.

(g) It is the intent of the legislature that California shall not exercise the federal option of change reporting. The department shall work with county human services agencies, client advocates, and the Statewide Automated Welfare System to eliminate change reporting no later than January, 2017.

ISSUE 22: ADULT PROTECTIVE SERVICES

The Subcommittee heard and discussed this issue at its March 11, 2015 hearing. The 2014 Budget provided for one position at DSS to assist counties regarding the Adult Protective Services (APS) program. The California Elder Justice Coalition, the California Commission on Aging, and CWDA have requested trailer bill language to codify the existence, duties, and reporting relationship of this APS position that was recently filled, to which DSS has not objected.

Staff Recommendation:

Approve the following trailer bill language as placeholder defining the APS position:

WIC 15753 is added, to read:

The department shall, to the extent funding for this purpose remains with the department, establish one full-time position, which reports to the director to assist counties with the following functions in their operation of the adult protective services system:

- A. Facilitating the review and update of state policies and procedures to promote best casework practices throughout the state, and providing technical assistance to local programs to promote consistent statewide adherence to these policies.
- B. Developing recommended program goals, performance measures, and outcomes for the adult protective services system, and a strategic plan to accomplish these recommended goals, performance measures, and outcomes.
- C. Collaborating with other state departments and local communities that provide or oversee elder justice services to address the needs of elders and adults with disabilities and improve coordination and effectiveness of adult protective services.
- D. Exploring the development of a state data collection system that builds on existing statewide data and additionally tracks outcomes that will align with national data collection efforts.
- E. Participating in national, statewide and regional discussions on adult protective services and elder justice issues and providing information on California's adult protective services programs.
- F. Participating in the development of federal and state policy that responds to new and emergent needs and develops suggested quality assurance measures to be implemented at the local level.
- G. Facilitating the development of a regionally based, ongoing, comprehensive and consistent statewide adult protective services training program that responds to new and emerging trends .
- H. In collaboration with experts in the field, developing guidelines for local adult protective services programs that will make recommendations for local practice in following areas:
 - a. Caseload levels for adult protective services workers
 - b. Availability of tangible services for local programs
 - c. Educational and professional development of adult protective services workers
 - d. Structure for 24 hour adult protective services response

ISSUE 23: FOSTER CARE PACKAGE

The Subcommittee heard and discussed child welfare and foster care issues at its March 18, 2015 hearing. Please see that agenda for additional context and detail on the Governor's budget proposals in this area.

Staff Recommendation:

Adopt a Foster Care Package that does the following as outlined below. The package results in a combined net \$56 million General Fund in 2015-16 (ongoing) to strengthen services and supports for children in foster care, assist with capacity-building for movement out of group home care into family-based settings, and serve foster youth who may be facing housing challenges either as older youth or with their families.

1. Approval of the Governor's budget proposal for Relative and Foster Parent Recruitment, Retention, and Support and additional funding of \$25 million General Fund (on-going), with placeholder TBL. This additional investment strives to achieve the goals of the Continuum of Care Reform effort currently being pursued in a policy vehicle. Placeholder TBL does the following and is included in this agenda.
 - a) Requires that the funds be used for foster parent and relative recruitment, retention, and support activities and specifies what those activities include.
 - b) Requires counties provide a description annually at the beginning of each fiscal year to CDSS of what they will use the funding for during the upcoming fiscal year.
 - c) Requires counties report back to CDSS during the annual 636 process of how they actually spent the funding in the prior fiscal year.
 - d) Includes nonsupplantation language to ensure that the new funding is used in addition to and not in place of existing resources for these activities.
2. Approval of a funding total of \$20 million General Fund (on-going) for Transitional Housing Program (THP)-Plus for Non-Minor Dependents Aging Out of Care and to Homeless Youth, with BBL to specify the appropriation among the subgroups and placeholder TBL that does the following:
 - a) Builds on the existing Transitional Housing Program for foster youth to extend services for foster youth aging out of care.
 - b) Adds services for homeless youth, prioritizing assistance for youth who are have suffered abuse or neglect or are at risk of long-term homelessness.
 - c) Creates a statewide rate for the state-only supported funding, that is developed in consultation with identified child welfare stakeholders.

3. Funding of \$7 million General Fund (on-going) for “Bringing Families Home” or Housing Supports and Services for Child Welfare Involved Families, with placeholder TBL that does the following:
 - a) Creates a pilot program within DSS that provides housing-related assistance to homeless families in the child welfare system.
 - b) Limits eligibility to families receiving child welfare services who are experiencing homelessness and are either at-risk for a foster care placement or who have been found eligible for reunification by a court but for the fact that the biological parent lacks safe, stable housing to which the child can be returned.
 - c) Allows for housing-related assistance to include rental assistance, utility payments, housing location assistance, case management, life skills training, financial services and other forms of assistance that are individually tailored to the family’s needs and designed to enhance the opportunity for family stability and self-sufficiency.
 - d) Requires that a participating county put forth matching funds for the cost of housing-related assistance provided under the program.
 - e) Requires DSS to create criteria for awarding grants and collecting data.
- f) Funding of \$3.25 million to maintain the CSEC program as enacted in the 2014 Budget is considered part of this overall package. Adopt BBL as included in this agenda.
- g) Approve the Governor’s Budget proposal for the Foster Family Agency Social Worker Rate Increase.

TBL for #1 Above: Relative and Foster Parent Recruitment, Retention, and Support Placeholder TBL

Section XX. (a) There is hereby established the Foster Parent and Relative Recruitment, Retention, and Support Program.

(b) The State Department of Social Services, in consultation with the County Welfare Directors Association, shall develop an allocation methodology to distribute funding for the program. Funds allocated pursuant to this section shall be used for activities and services to recruit, retain, and support licensed foster parents and relative caregivers. These activities and services may include, but are not limited to, all of the following:

- (1) Staffing to provide direct services and support to relatives and foster parents.
- (2) Supplemental funding for foster children.
- (3) Child care for working relatives and licensed foster parents.
- (4) Intensive relative finding, engagement, and navigation efforts.
- (5) Media campaign and outreach activities.

(c) (1) For the 2015-16 fiscal year, by August 30, 2015, counties shall provide the department a description of the activities that will be implemented with the funding allocated pursuant to this section.

(2) For the 2016-17 fiscal year and subsequent fiscal years, by July 1 of that fiscal year, counties shall provide the department a description of the activities that will be implemented in the fiscal year with the funding allocated pursuant to this section.

(d) As part of the annual reports submitted pursuant to Section 10601.2, counties shall identify which activities the funds allocated pursuant to this section were used for the prior fiscal year.

(e) Funds provided to a county for the Foster Parent and Relative Recruitment, Retention, and Support Program shall be used to supplement and not supplant resources used by the county for foster parent and relative recruitment, retention, and support activities as of the 2014-15 fiscal year.

BBL for #4 Above: Child Victims of Commercial Sexual Exploitation

Provisional Language for Items 5180-151-0001 (and potentially for 5180-153-0001 as well)

X. The department, in consultation with the County Welfare Directors Association, shall develop an estimate of the additional funding needed for fiscal year 2016-17 to support the implementation of new federal mandates for identifying and serving youth who are victims and youth at risk of commercial sex exploitation, pursuant to P.L. 113-183. The estimate shall include funding as appropriate for: the implementation of policies and procedures to identify and provide appropriate services to trafficked and at risk youth; the development and implementation of protocols to locate and serve youth missing from foster care as required by P.L. 113-183; the compliance with the new federal reporting requirements related to youth who are victims of or at risk of commercial sex exploitation and runaway youth; and any other requirements of P.L. 113-183.

ISSUE 24: APPROVED RELATIVE CAREGIVER CLEAN-UP TRAILER BILL LANGUAGE

The Subcommittee heard and discussed this trailer bill proposal on the Approved Relative Caregiver program created as part of the 2014 Budget at its March 18, 2015 hearing. Please see that agenda for additional context and information.

The language was undergoing redrafting given collaboration with stakeholders, including the County Welfare Directors Association of California. The administration's redraft submitted to the Subcommittee made further modifications to the calculation of the existing inflationary adjustment applied to the \$30 million base funding amount for clarity.

Staff Recommendation:

Approve placeholder TBL working from the administration's recently submitted draft with the following areas still to be resolved in the trailer bill process:

- Providing additional clarity to the calculation of the inflationary adjustment to the base funding amount to ensure that the funding provided in future fiscal years does not drop below the original full funding base amount.
- Adding technical language to ensure that the existing requirement that automatically opts out all participating counties if funding for the program is reduced does not get inappropriately triggered by funding adjustments made by the inflationary calculation.

ISSUE 25: CHILD NEAR FATALITIES TRAILER BILL LANGUAGE

The Subcommittee heard and discussed this trailer bill proposal on Child Near Fatalities at its March 18, 2015 hearing. Please see that agenda for additional context and information.

Staff Recommendation:

In an effort to allow additional time to the administration and stakeholders, staff recommends approval of the following intent language that the administration has posted on this subject as placeholder, subject to further discussions and decisions in the trailer bill process. It is the Subcommittee's understanding that this action will place the issue into Conference, which will allow for additional time and consideration.

SECTION 1. It is the intent of the Legislature that California comply with the requirements set forth in the federal Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq; 42 U.S.C. 5116 et seq.) relating to the public disclosure of information pertaining to child near fatalities that are the result of child abuse or neglect.

ISSUE 26: LICENSING COSTS RELATED TO SONOMA DEVELOPMENTAL CENTER

The Administration proposes an increase of \$188,000 GF and one position to support initial licensing activities associated with the proposed closure of the Sonoma Developmental Center (SDC). It is anticipated that two additional positions will be needed, starting 2016-17. Staff notes that a similar staffing request was approved for the Agnews closure.

Staff Recommendation:

Approve request as proposed.

ISSUE 27: CASELOAD AND OTHER TECHNICAL CHANGES

The May Revision for DSS additionally included the following caseload and technical changes for the Subcommittee's consideration.

1. **Caseload and Estimate Changes.** The May Revision proposes a net increase of \$176,635,000 (increases of \$218,155,000 General Fund, \$12,366,000 Children's Health and Human Services Special Fund, \$7,777,000 reimbursements, \$532,000 Child Support Collections Recovery Fund, \$12,000 Emergency Food Assistance Program Fund, partially offset by a decrease of \$62,207,000 Federal Trust Fund) primarily resulting from updated caseload estimates since the Governor's budget. Realigned programs are displayed for the purpose of federal fund adjustments and other technical adjustments. Caseload and workload changes since the Governor's budget are displayed in the following table:

Program	Item	Change from Governor's Budget
California Work Opportunity and Responsibility to Kids (CalWORKs)	5180-101-0001	\$88,034,000
	5180-101-0890	-\$162,005,000
	Reimbursements	-\$95,000
Kinship Guardianship Assistance Payment	5180-101-0001	-\$2,210,000
Supplemental Security Income/State Supplementary Payment (SSI/SSP)	5180-111-0001	-\$22,776,000
In-Home Supportive Services (IHSS)	5180-111-0001	\$172,325,000
	5180-111-3156	\$12,366,000
	Reimbursements	-\$39,960,000
Other Assistance Payments	5180-101-0001	-\$1,416,000
	5180-101-0122	\$12,000
	5180-101-0890	\$671,000
County Administration and Automation Projects	5180-141-0001	-\$17,084,000
	5180-141-0890	-\$23,210,000
	Reimbursements	\$25,551,000
Community Care Licensing	5180-151-0001	\$1,264,000
	5180-151-0890	-\$27,000

Program	Item	Change from Governor's Budget
Realigned Programs		
Adoption Assistance Program	5180-101-0890	\$61,000
	5180-151-0890	\$88,000
Foster Care	5180-101-0001	-\$17,000
	5180-101-0890	\$6,148,000
	5180-101-8004	\$532,000
	5180-141-0890	\$558,000
Child Welfare Services (CWS)	5180-151-0001	-\$2,981,000
	5180-151-0890	\$114,945,000
	Reimbursements	\$11,268,000
Title IV-E Waiver	5180-153-0001	\$3,016,000
	5180-153-0890	\$564,000
Adult Protective Services	Reimbursements	\$11,013,000

The updated caseload estimates for the largest programs are summarized below:

Program	January estimate	May Revision
CalWORKs	533,335	525,189
SSI/SSP	1,310,977	1,307,789
IHSS	462,648	467,000

Additionally, the Administration notes the following local assistance adjustments:

Local assistance expenditures for DSS are estimated to increase by a net amount of \$726,799,000. This is comprised of increases of \$238,202,000 General Fund, \$477,264,000 Federal Trust Fund, \$12,366,000 Children's Health and Human Services Special Fund, \$532,000 Child Support Collections Recovery Fund, \$12,000 Emergency Food Assistance Program Fund, partially offset by a decrease of \$1,577,000 reimbursements.

2. **CalWORKs General Fund Offset.** The Administration requests a decrease of \$43,724,000 General Fund to reflect an increase in Family Support Subaccount funds, associated with the redirection of 1991 health realignment funds for CalWORKs expenditures, thereby offsetting General Fund costs in the program.

Pursuant to AB 85 (Budget Committee), Chapter 24, Statutes of 2013, county indigent health savings are redistributed to counties, via a redirection of 1991 health realignment funds, for CalWORKs expenditures, to offset General Fund costs in the program. This includes a technical correction -- the BY amount shown for Realignment Family Support Subaccount (line 21 in the estimate table) reflects \$741.952 million in GF offset from the Family Support Subaccount. This number should be \$741.916 million, meaning CalWORKs grants are currently short \$36K GF in 2015-16.

3. **Temporary Assistance for Needy Families (TANF) Transfer to CA Student Aid Commission.** The Administration requests an increase in the department's federal funding by \$533,646,000 Federal Trust Fund to reflect an increase in the amount of federal TANF block grant funds available to offset General Fund costs in the Cal Grant program administered by the California Student Aid Commission (CSAC). Of this amount, \$286,320,000 reflects a technical correction. The proposed Budget erroneously did not include the transfer amount assumed in the Governor's budget. The remaining increase of \$247,326,000 is primarily attributable to shifting of long-term sanctioned CalWORKs cases from the federal TANF program to a solely state-funded non-TANF maintenance-of-effort program (see Item 6980-101-0001, Issue 214-MR).
4. **Implementation of Federal Overtime Regulations for 2015-16.** It is requested that Item 5180-111-0001 be increased by \$18,260,000 General Fund and reimbursements be decreased by \$9,354,000 to reflect updated IHSS caseload-related increases and a shift of one-time administrative costs from 2014-15 to 2015-16 due to the delayed implementation of Fair Labor Standards Act (FLSA) regulations. These adjustments reflect an overall increase in budget year funding for FLSA implementation, as updated for caseload and a shift in one-time administrative costs from current year to budget year. Due to increases in caseload, hours per case, and costs per hour, the May Revision increases funding for the program by \$147.6 million General Fund in current year and \$179.1 million General Fund in budget year. In addition, the May Revision proposes to use one-time, unspent \$184 million General Fund -- the amount included in the current year for implementation of the Fair Labor Standards Act -- to offset increasing IHSS costs. The remainder of the unspent FLSA-related funding appropriated in 2014-15 will be used to partially offset the overall increase in IHSS costs since the Governor's budget.
5. **Provisional Language: Increase in General Fund Loan Authority for the IHSS Program (Issue 714-MR)** - It is requested that Provision 2 of Item 5180-111-0001 be amended to increase loan authority from \$385 million to \$650 million to alleviate cash flow complications resulting from delayed reimbursement of federal funds from the Department of Health Care Services (DHCS). Staff notes that there is a typical delay in receiving federal reimbursement for costs associated with the Coordinate Care Initiative and the enhanced federal funding for Community First Choice Option (CFCO). As a result, DSS makes payments to IHSS providers but may run low on cash flow towards the end of the budget year. This proposal

anticipates this delay in federal reimbursements for CCI and seeks to ensure that DSS have the funding available until federal reimbursements arrive.

6. **Addition of Budget Bill Item 5180-492: Extension of Liquidation Period for the CalWORKs Housing Support Program (Issue 706-MR)**—It is requested that Item 5180-492 be added to extend the availability of funds appropriated in the 2014 Budget Act to allow counties to liquidate Housing Support Program expenditures that occurred in fiscal year 2014-15 but will be paid in 2015-16. The 2014 Budget Act included \$20 million General Fund for this purpose. Because counties budget on a cash basis, expenditures are claimed against allocations in the year they are paid. As such, language is proposed to extend the liquidation period for 2014-15 expenditures until June 30, 2016. The proposed language is as follows:

Addition of Budget Bill Item 5180-492:

5180-492—Reappropriation, Department of Social Services. The balances of the appropriations provided in the following citations are reappropriated for expenditure pursuant to Provision 1 and shall be available for encumbrance or expenditure until June 30, 2016:

0001—General Fund

(1) Item 5180-101-0001, Budget Act of 2014 (Ch. 25, Stats. 2014)

Provisions:

1. Funds allocated to counties pursuant to Provision 10 of Item 5180-101-0001 for housing support for those families in receipt of CalWORKs but unexpended as of June 30, 2015, shall be reappropriated for encumbrance or expenditure for services provided by a county in fiscal year 2014-15 that are claimed by the county in fiscal year 2015-16.

7. **Addition of Budget Bill Item 5180-493: Extension of Liquidation Period for Unaccompanied Undocumented Minors Funding (Issue 724-MR)**—It is requested that Item 5180-493 be added to extend the liquidation period for funds encumbered in 2014-15 for the provision of legal services provided to unaccompanied undocumented minors. The 2014 Budget Act included \$2.9 million General Fund for this purpose. Qualified nonprofit organizations only receive 50 percent of awarded funding up front and the remaining 50 percent will be paid when the minor's case is closed. This could take several years. As such, language is proposed to extend the liquidation period for encumbered amounts until June 30, 2021. The proposed language is as follows:

Addition of Budget Bill Item 5180-493:

5180-493—Reappropriation, Department of Social Services. Notwithstanding any other provision of law, the period to liquidate encumbrances appropriated for services to unaccompanied undocumented minors in the following citations are extended to June 30, 2021:

0001-General Fund

(1) Item 5180-151-0001, Program 25.35-Special Programs, Budget Act of 2014 (Ch. 25, Stats. 2014)

Staff Recommendation:

Adopt May Revision caseload and technical changes as submitted (including those covered in the May 19 Subcommittee, outlined here, and otherwise submitted by the Department of Finance in their DSS technical letter). These actions must conform to the other overriding actions taken by the Subcommittee. Staff will work with the Department of Finance on any needed clarifications in the processing of these changes.

**4170 CALIFORNIA DEPARTMENT OF AGING
4260 DEPARTMENT OF HEALTH CARE SERVICES**

All of the following issues were heard at the Subcommittee's May 19, 2015 hearing on the Governor's May Revise proposals. Please see that agenda for additional detail on the subjects listed.

ISSUE 1: STATE LONG-TERM CARE OMBUDSMAN PROGRAM

The Subcommittee heard this issue and proposals for Aging programs at its March 9, 2015 hearing. Please see that agenda for more detail.

Staff Recommendation:

1. Provide \$5 million General Fund on-going to increase unannounced monitoring visits and investigations responding to complaints for the Long-Term Care Ombudsman Program.
2. Conforming to action taken in the Senate, increase funding by \$1.4 million to the Long Term Care Ombudsman Program to facilitate an increase in skilled nursing facility (SNF) complaint investigations and quarterly visits by:
 - a. Directing \$1 million on a one-time basis from the State Health Facilities Citation Penalties Account to the LTC Ombudsman Program in 2015-16.
 - b. Increasing the licensing and certification fee for skilled nursing facilities to generate \$400,000 to support the LTC Ombudsman Program on an ongoing-basis. Adopt placeholder trailer bill language to specify that this fee increase can be used for the LTC Ombudsman Program.

ISSUE 2: MULTIPURPOSE SENIOR SERVICES PROGRAM TRANSITION TIMELINE

The Subcommittee heard this May Revision proposal at its May 19, 2015 hearing.

Staff Recommendation:

Approve the administration's revised TBL as placeholder, which includes refinements that have already been discussed between the advocates, primarily the California Commission on Aging and the MSSP Site Association, and administration, subject to further refinements in the TBL process.

5180 DEPARTMENT OF SOCIAL SERVICES**ISSUE 1: IN HOME SUPPORTIVE SERVICES MANAGED CARE HOUR REPORTING ON THE CMIPS SYSTEM.**

The Subcommittee will consider appropriating funds to allow reprogram the CMIPS system so managed care providers can purchase additional hours.

BACKGROUND

One provision of the Coordinated Care Initiative provides managed care providers that have clients receiving In Home Supportive Services care the option to purchase additional hours of care for these clients. However, this is not yet occurring because the current CMIPS pay rolling system for IHSS workers lacks the functionality to allow for the addition of hours by managed care plans.

STAFF COMMENTS

A significant number of current In Home Supportive Services clients have opted out of Coordinated Care Initiative so far. If managed care providers could offer additional In Home Supportive Services hours to clients as an alternative to higher levels of care, it may make participation in the Coordinated Care Initiative more attractive for these clients.

The Subcommittee could fund the reprogramming of the CMIPS system to allow for managed care plans to assign additional IHSS hours. The total costs for this reprogramming is estimated to cost approximately \$7 million total funds. Staff estimates that the budget year General Fund cost for the project will be approximately \$2 million General Fund.

Staff Recommendation: Appropriate \$7 million (\$2 million General Fund) to reprogram CMIPS to allow managed care plans to assign additional hours to IHSS recipients.

0530 HEALTH AND HUMAN SERVICES AGENCY
4260 DEPARTMENT OF HEALTH CARE SERVICES
5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE 1: CALHEERS AND COUNTY MEDICAL ELIGIBILITY

The Subcommittee will consider action on CalHEERS, Medi-Cal Eligibility

BACKGROUND

The implementation of the Affordable Care Act, the expansion of Medi-Cal eligibility, and the creation of the California Healthcare Eligibility Enrollment and Retention System (CalHEERS) have caused a massive increase in workload for existing Medi-Cal eligibility determination staff at Counties. The Subcommittee heard this issue several times as it considered the impact on clients and the status of the new information technology system.

As noted in the May 18, 2015 hearing, the Administration has proposed an additional \$150 million (\$48.8 million General Fund) augmentation to the County Administration budget for Medi-Cal. The Subcommittee received testimony from counties that suggested that this augmentation would not meet the expected need.

In addition, the Administration has proposed two new premise items in the Department of Social Service's budget relating to the CalHEERS 24-month roadmap. The 24-Month Roadmap also includes support for ongoing maintenance and operations of the SAWS/CalHEERS Interface, known as eHit. The costs for the 24-Month Road Map are approximately \$20 million in FY 201516 (for first year of costs). These costs are reflected in the individual maintenance and operations budgets of each consortium and include Title XIX reimbursements from DHCS. As a result the May Revision includes the following adjustments:

- The Los Angeles Eligibility, Automated Determination, Evaluation and Reporting Replacement System (LRS) project reflects an increase of \$6.2 million (\$0.9 million GF) in FY 2015-16.
- The Welfare Client Data System-CalWORKs Information Network (WCDS-CalWIN) consortium reflects a \$1.8 million decrease (all federal) in FY 2014-15 and a \$9 million (\$3.1 million GF) increase in FY 2015-16 compared to the previous estimate.
- The Consortium IV (C-IV) reflects a \$2.6 million decrease (\$0.1 million GF) in FY 2014-15 and a \$6 million increase (\$2.0 million GF) in FY 2015-16.

Finally, the May Revision makes two adjustments to the Office of System Integration expenditure authority, reducing overall expenditure authority by \$14 million to reflect two changes: 1) an increase in services for OSI CalHEERS activities 2) offset by a decrease in authority for the Unemployment Insurance Modernization project of \$16.4 million, which reflects the transition of this project back to the Employment Development Department.

STAFF COMMENTS

The County Welfare Directors Association has identified \$31 million General Fund in one-time savings from county programs administered by the Department of Social Services. CWDA has proposed redirecting these savings to Medi-Cal County Administration, which could then supplement the amount proposed by the Governor by \$95.3 million total funds. The Counties have also requested additional trailer bill language to develop a new methodology for county administration costs for next year, so the budget includes full funding for administrative costs.

In addition, the Subcommittee heard testimony at the April 27, 2015 hearing that one possible approach to reduce the workload associated with the CalHEERS system would be to include the MAGI Rules Engine in the SAWS systems, rather than relying on the two systems to interface for eligibility. The Administration believes that the 24-Month Road Map will achieve some of the same workload reduction without that change. Since further oversight will be needed to judge if this effort is sufficient, staff recommends adopting trailer bill language to require an analysis of possibly moving the MAGI Rules Engine functions into the SAWS systems. This report will provide the Subcommittee with further options, if the challenges with the CalHEERS system persist into next year.

Staff Recommendation:

- **Increase the May Revision County Administration Allocation by \$95.3 million (\$31 million General Fund)**
 - **Adopt Budget Bill Language to revert \$31 million of savings identified by counties.**
 - **Adopt May Revision SAWS system cost adjustments.**
 - **Adopt Placeholder Trailer Bill Language requiring DHCS, in partnership with counties, to adopt a new Medi-Cal Eligibility budget methodology that reflects eligibility workload.**
 - **Adopt Office of System Integration May Revision adjustments.**
 - **Adopt Trailer Bill Language Requiring the Office of System Integration to report to the Legislature by April 1, 2016 on the feasibility, benefits, costs, and risks of installing the MAGI Eligibility Decision Engine in all, two, or just one of the SAW Consortia systems.**
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