

California State Assembly



Agenda

Assembly Budget Subcommittee No. 2 on Human Services

Assemblymember Dr. Corey Jackson, Chair

Thursday, May 16, 2024

Upon Adjournment of Session – State Capitol, Room 126

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Public Comment will be taken in person after the completion of all panels and any discussion from the Members of the Subcommittee.

Items To Be Heard

**5180 Department of Social Services
6100 Department of Education**

Issue 1: Child Care & Preschool – May Revision Proposals

General Fund Reduction Proposals at May Revision

Issue #	Title	Duration	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Category
213	Pause State Preschool Program Inclusivity Requirement at its Current Level	Ongoing				47.9	97.9	97.9	Reductions
255	Child Care Slot Expansion	Limited Term (multiple years)			489.0	951.0	1,500.0	1,500.0	Pause/Delay
276	Child Care General Fund Offset - Federal Funds and Cannabis Fund	One-Time		596.8	375.5				Fund Shift

- Child Care Slot Expansion (Issue 255)—It is requested that Item 5180-101-0001 be decreased by \$488,956,000 beginning in fiscal year 2024-25 and ongoing to reflect a pause in the expansion of state-subsidized child care slots. It is also requested that Provision 24 be eliminated.
- Child Care General Fund Offset (Issue 276)—It is requested that Item 5180-101-0001 be decreased by \$596,802,000 in 2023-24 and \$375,514,000 in 2024-25, and a one-time increase of \$375,514,000 in 2024-25 for reimbursements. These projected savings are based on the use of other available fund balances.

Chaptered Bill Budget Change Proposals in May Revision (DSS child care only)

- Firearms in Family Child Care Homes, Chapter 249, Statutes of 2023 (SB 2) (Issue 047)—It is requested that Item 5180-001-0001 be increased by \$162,000 and 1 position in 2024-25, 2025-26, and 2026-27 to implement the legislation.
- Daycare Facilities: Incidental Medical Services Plan, Chapter 631, Statutes of 2023 (SB 722) (Issue 044)—It is requested that Item 5180-001-0001 be increased by \$173,000 and

1 position in 2024-25, and by \$169,000 in 2025-26 and 2026-27 to implement the legislation.

- **Childcare Dual Language Learners: Chapter 435, Statutes of 2023 (AB 393) (Issues 285 and 290)**—It is requested that Item 5180-001-0001 be increased by \$764,000 and 4 positions in 2024-25 and \$742,000 and 4 positions ongoing beginning in 2025-26, and Item 5180-101-0001 be increased by \$297,000 ongoing to implement the legislation.

Other May Revision Adjustments

- **Item 6100-001-0001 and Reimbursements, Support, Preschool Development Grant Reimbursement Authority (Issue 635)**—It is requested that Schedule (6) of this item be amended to decrease reimbursement authority by \$1,710,000 in 2024-25, and \$1,729,000 in 2025-26 and ongoing, to align with the remaining contract for the Preschool Development Grant. It is further requested that provisional language be added as follows to conform to this action: 114. Of the amount provided in this item, \$19,000 in reimbursements is provided in the 2024-25 fiscal year to support the Preschool Development Grant.
- **Preschool Development Grant Reimbursement Authority (Issue 211)**—It is requested that Item 5180-001-0890 be increased by \$328,000 one-time to allow the Department of Social Services to assist the California Health and Human Services Agency with the administration of the Preschool Development Grant, which is described in Issue 037 of the California Health and Human Services Agency Letter. Additionally, it is requested that provisional language be added to allow the Department of Finance to adjust expenditure authority to Schedule (1) for future Preschool Development Grant awards (see Attachment 3).
- **Item 6100-194-0001, Local Assistance, Non-Local Educational Agency State Preschool Program Funding (Issue 633)**—It is requested that Schedule (1) of this item be increased by \$18,616,000 to reflect revised estimates to administer the California State Preschool Program. It is also requested that provisional language be added that specifies the amount of funding available to reduce family fees: 8. Of the amount appropriated in Schedule (1), \$14,041,000 is available for the family fee policy to reduce child care fees to one percent of monthly income for families with adjusted monthly income at or above 75 percent of the state median family income pursuant to Section 8252 of the Education Code.
- **Item 6100-196-0001, Local Assistance, Local Educational Agencies State Preschool Program Funding (Issues 622 and 634)**—It is requested that Schedule (1) of this item be decreased by \$9,233,000 Proposition 98 General Fund to reflect the following: (1) an increase of \$64,471,000 ongoing Proposition 98, which is a technical baseline adjustment to support the current requirements for the California State Preschool Program, and (2) a decrease of \$73,704,000 one-time Proposition 98 General Fund due to revised caseload estimates of three-year-old children and children with exceptional needs. It is also requested that provisional language be added that specifies the amount of funding

available to reduce family fees: 6. Of the amount appropriated in Schedule (1), \$15,833,000 is available for the family fee policy to reduce child care fees to one percent of monthly income for families with adjusted monthly income at or above 75 percent of the state median family income pursuant to Section 8252 of the Education Code.

New Trailer Bill Proposals

- **Information Sharing for Small Family Child Care Homes** - This Trailer Bill Language (TBL) proposal seeks to amend Health and Safety Code section 1596.86 to increase the accessibility and transparency of licensed small family daycare home information. It would bring the California Department of Social Services (CDSS) into compliance with federal funding requirements for consumer and provider education by making specified information for licensed small family daycare homes publicly available to parents searching for child care options for their children. This TBL also proposes to make technical conforming changes to Government Code section 7927.305.
- **California State Preschool Program**—It is requested that statutory changes transmitted with the Governor’s Budget be amended to reflect a one-time reduction in the amount of \$2,551,000 Proposition 98 General Fund in 2023-24. It is also requested that statutory changes be added to (1) clarify the enrollment priority for three- and four-year-old children without exceptional needs, and (2) eliminate the requirement for California State Preschool Programs to reserve 7.95 percent and 10 percent enrollment for students with exceptional needs in 2025-26 and 2026-27, respectively.
- **California Universal Preschool Planning Grant Program**—It is requested that statutory changes be added to allow newly formed consortia of current grantees, or individual counties who participated as a grantee in a former consortium to apply for renewal grants.

Panel

Child Care:

- Lupe Jaime-Mileham, Department of Social Services (DSS)
- Tamar Weber, Department of Finance (DOF)
- Jacqueline Barocio, Legislative Analyst’s Office (LAO)

Preschool:

- Jodi Lieberman, DOF
- Sara Cortez, LAO
- Stephen Propheter, California Department of Education (CDE)

Staff Comments

Reductions to previously planned child care and preschool expansions total over \$1.59 billion ongoing General Fund in the May Revision. These total “solutions” to the general fund deficit do not include the estimated parity savings on the Proposition 98 preschool side.

It is unclear if these proposed “solutions” also include the current year and budget year impacts of prior year appropriations for new child care contracts that have already been awarded, but now apparently frozen, by DSS at the May Revision.

There are no statutory provisions for the prior year Budget agreements to serve 200,000 more children in the State’s subsidized child care system by 2026-27, and no proposed end to the “pause” toward this goal in the May Revision.

Questions:

- Should there be a statutory trigger for resuming growth toward the agreement goal to serve 200,000 more children in the state’s child care system?
- What are the long term consequences and costs to child care contractors, if prior awards can be frozen?
- How many children on existing waitlists, have child care services at stake, with the awarded slot freeze proposal?
- How many children on existing waitlists, have child care services at stake, with the growth pause proposals in the Budget Year?
- What administration support and authority does DSS and CDE need in this Budget Act, to shift to an Alternative Methodology in the 2025-26 Budget Year?
- What timelines remain outstanding to achieve Alternative Methodology implementation, over the multi-year?

5180 Department of Social Services

Issue 2: All Other DSS May Revision Proposals

New May Revision Reductions and Program Eliminations

Significant program reductions and program eliminations have been proposed across many programs at the Department of Social Services in the May Revision. The May Revision also retains all reduction and program elimination proposals that were included in the Governor's January Budget.

Issue #	Title	Duration	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Category
265	Foster Care Permanent Rate Structure	One-Time					425.0	647.0	Pause/ Delay
266	Housing and Disability Advocacy Program	One-Time				50.0			Reductions
267	Bringing Families Home Program	One-Time				80.0			Reductions
268	Home Safe Program	One-Time				65.0			Reductions
269	In-Home Supportive Services Permanent Backup Provider System	Ongoing			11.6	11.6	11.6	11.6	Reductions
270	Adult Protective Services Expansion	Ongoing			40.0	40.0	40.0	40.0	Reductions
271	Adult Protective Services Training	Ongoing			4.8	4.8	4.8	4.8	Reductions
272	Minimum Nutrition Benefit Pilot	One-Time			15.0				Reductions
273	Work Incentive Nutrition Supplement Program	Ongoing				25.0	25.0	25.0	Reductions

274	Foster Care Caregiver Approvals	Ongoing			50.0	50.0	50.0	50.0	Reductions
275	CalWORKs Home Visiting Program	Ongoing			47.1	47.3	47.6	47.9	Reductions
276	CalWORKs Mental Health and Substance Abuse Services	Ongoing			126.0	126.0	126.0	126.0	Reductions
278	Child Care Emergency Child Care Bridge Program Expansion	Ongoing			34.8	34.8	34.8	34.8	Reductions
279	In-Home Supportive Services for Undocumented Individuals	Ongoing			94.7	94.7	94.7	94.7	Reductions
281	CalWORKs Single Allocation	One-Time			272.0				Reductions
282	Rapid Response	One-Time			29.0				Reductions
283	California Food Assistance Program Expansion	Ongoing			31.2	114.6	128.8	45.9	Pause/Delay

The rows from the table above are reorganized as bullets from the Department of Finance letter, which is attached. The list below is intended to capture all of the rows of reductions and program elimination proposals above.

The Subcommittee requests that the Department of Social Services speak to each proposal within the broader program category in the order of the bullets below. Please pause for questions from the Members after each proposal.

CalWORKs

- CalWORKs Mental Health and Substance Abuse Services (Issue 288)—It is requested that Item 5180-101-0001 be decreased by \$126.6 million in 2024-25 and ongoing for the CalWORKs Mental Health and Substance Abuse Services.
- CalWORKs Single Allocation-Employment Services (Issue 294)—It is requested that Item 5180-101-0001 be decreased by \$272 million one-time in 2024-25 for the Employment Services portion of the CalWORKs Single Allocation.

- CalWORKs Home Visiting Program (Issue 286)—It is requested that Item 5180-101-0001 be decreased by \$47.1 million in one-time for the CalWORKs Home Visiting Program.
- Work Incentive Nutrition Supplement Program (Issue 261)—It is requested that Item 5180-101-0001 be decreased by \$25 million in 2025-26 and ongoing for the Work Incentive Nutrition Supplement Program. It is also requested that statutory changes be added for these purposes.

CalFresh

- California Food Assistance Program Expansion (Issue 300)—It is requested that Item 5180-101-0001 be decreased by \$31.2 million one-time, reflecting a two-year delay of the California Food Assistance Program Expansion.
- Minimum Nutrition Benefit Pilot (Issue 260)—It is requested that Item 5180-101-0001 be decreased by \$15 million one-time for the Minimum Nutrition Benefit Pilot.

Foster Care and Child Welfare

- Caregiver Approvals (Issue 278)—It is requested that Item 5180-151-0001 be decreased by \$50 million in 2024-25 and ongoing for processing of foster caregiver applications.
- Child Care Emergency Child Care Bridge Program Expansion (Issue 256)—It is requested that Item 5180-101-0001 be decreased by \$25,845,000 in 2024-25 and ongoing and Item 5180-151-0001 be decreased by \$9 million in 2024-25 and ongoing for the Emergency Child Care Bridge Program Expansion.

In-Home Supportive Services (IHSS)

- In-Home Supportive Services for Undocumented Individuals (Issue 298)—It is requested that Item 5180-111-0001 be decreased by \$94,730,000 in 2024-25 and ongoing for In-Home Supportive Services for undocumented individuals. It is also requested that statutory changes be added for these purposes.
- In-Home Supportive Services Permanent Backup Provider System (Issues 272 and 314)—It is requested that Item 5180-111-0001 be decreased by \$11,569,000 in 2024-25 and ongoing and reimbursements be decreased by \$13,822,000 in 2024-25 ongoing for the In-Home Supportive Services Permanent Backup Provider System. It is also requested that statutory changes be added for these purposes.

Adult Protective Services

- Adult Protective Services Expansion (Issues 304 and 315)—It is requested that Item 5180-151-0001 be decreased by \$40 million in 2024-25 and ongoing and reimbursements be decreased by \$5,714,000 ongoing for the prior expansion of Adult Protective Services.

- Adult Protective Services Training (Issues 275 and 316)—It is requested that Item 5180-151-0001 be decreased by \$4,769,000 in 2024-25 and ongoing and reimbursements be decreased by \$4,769,000 ongoing for Adult Protective Services Training.

Housing and Homelessness Programs

- Housing and Homelessness Programs (Issues 257, 269, and 271)—It is requested that Item 5180-492 be amended to eliminate language (see Attachment 1). It is also requested that Item 5180-495 be amended to reduce funding for the Home Safe Program, Bringing Families Home Program, and Housing and Disability Advocacy Program, respectively, which were appropriated in the 2022 Budget Act (see Attachment 2).

Immigration Services

- Rapid Response (Issue 303)—It is requested that Item 5180-495 be amended to revert \$29 million for the Rapid Response funding in the 2023 Budget Act (see Attachment 2).

Chaptered Bills in May Revision

- Paid Sick Leave Implementation: Chapter 309, Statutes of 2023 (SB 616) (Issue 270)—It is requested that Item 5180-111-0001 be increased by \$17,319,000 ongoing and reimbursements be increased by \$21,024,000 ongoing to implement the legislation.
- Facility Management System (FMS) Project Planning Resources Reappropriation (Issue 281)—It is requested that Item 5180-492 be amended to reappropriate up to \$5 million from Item 5180-001-0001 of the 2021 Budget Act and up to \$3 million from Item 5180-001-0001 of the 2022 Budget Act to support planning efforts of the FMS project (see Attachment 1).
- Juvenile Court - Dependents Removal: Chapter 618, Statutes of 2023 (SB 578) (Issue 283)—It is requested that Item 5180-151-0001 be increased by \$1,161,000 in 2024-25 and ongoing to implement the legislation.
- Assuring Services for Family Reunification: Chapter 458, Statutes of 2023 (AB 937) (Issue 284)—It is requested that Item 5180-151-0001 be increased by \$933,000 in 2024-25 and ongoing to implement the legislation.
- Lesbian, Gay, Bisexual, Transgender Disparities Reduction Act, Chapter 832, Statutes of 2023 (AB 1163) (Issue 293)—It is requested that Item 5180-141-0001 be increased by \$519,000 one-time in 2024-25 to implement the legislation. See related Issue 016 in the Department of Community Services and Development Finance Letter, Issue 059 in the Department of Aging Finance Letter, Issue 282 in the Department of Health Care Services Finance Letter, and Issue 317 in the Department of Public Health Finance Letter.

- Cal-Learn Pregnancy or Parenting, Chapter 615, Statutes of 2023 (SB 521) (Issue 296)—It is requested that Item 5180-141-0001 be increased by \$294,000 one-time to implement the legislation.
- Cal-Learn Sanctioned Grants Repeal, Chapter 615, Statutes of 2023 (SB 521) (Issue 297)—It is requested that Item 5180-101-0001 be increased by \$18,000 in 2024-25 and \$37,000 in 2025-26 and ongoing to implement the legislation.
- Family Reunification Services for Financial Hardship Noncompliance: Chapter 552, Statutes of 2023 (AB 954) (Issue 307)—It is requested that Item 5180-151-0001 be increased by \$1,866,000 ongoing. It is also requested that Item 5180-151-0890 be increased by \$673,000 ongoing.
- Pupil Meals, Chapter 600, Statutes of 2023 (SB 348) (Issue 308)—It is requested that Item 5180-001-0001 be increased by \$907,000 in 2024-25 and \$883,000 in 2025-26 and ongoing to implement the legislation.
- Refugee Internet Resources, Chapter 399, Statutes of 2023 (SB 465) (Issue 311)—It is requested that Item 5180-151-0001 be increased by \$82,000 in 2023-24 to implement the legislation.
- Elderly and Dependent Adult Abuse - Mandated Reporting: Chapter 580, Statutes of 2023 (AB 1417) (Issues 313)—It is requested that Item 5180-001-0001 be increased by \$173,000 in 2024-25 and \$169,000 in 2025-26 on a limited-term basis to implement the legislation.

Other Adjustments

- Maintenance of County Expense Claim Reporting Information System (Issue 188)—It is requested that Item 5180-001-0001 be increased by \$730,000 and 4 positions in 2024-25 and \$533,000 and 4 positions in 2025-26 and ongoing to continue maintenance and operations activities for the County Expense Claim Reporting Information System. It is also requested that Item 5180-001-0890 be increased by \$183,000 in 2024-25 and \$356,000 in 2025-26 and ongoing for this purpose.
- Summer EBT (Issue 198)—It is requested that Item 5180-001-0001 be increased by \$1,253,000 in 2024-25, \$1,234,000 in 2025-26, and ongoing to assist with program support for the Summer EBT program.
- Child Welfare Training Program: Funding Shift from Local Assistance to State Operations (Issue 203)—It is requested that Item 5180-001-0001 be increased by \$210,000 and 1.2 positions in 2024-25 and \$205,000 and 1.2 positions in 2025-26 and ongoing, to continue to support statewide coordination for the Child Welfare Training Program in compliance with federal requirements. It is also requested that Item 5180-001-0890 be increased by \$142,000 in 2024-25 and \$139,000 in 2025-26 and ongoing, and 0.8 positions, for this

purpose. These adjustments reflect a net-zero shift of existing funds for this program from local assistance to state operations (see Issue 302 below).

- Guardian Background Check System Maintenance and Operations (Issue 208)—It is requested that Item 5180-001-0001 be increased by \$312,000 in 2024-25 and 2025-26, and \$612,000 in 2026-27, on a limited-term basis, for increased maintenance and operations costs for the existing Guardian Background Check System.

Local Assistance

- CalWORKs AB 85 Maximum Aid Payment Increase (Issue 219)—It is requested that Item 5180-101-0001 be increased by \$12,522,000 ongoing to reflect a 0.3-percent increase to the CalWORKs Maximum Aid Payment levels. The increased grant costs are funded entirely by 1991 Realignment revenue in the Child Poverty and Family Supplemental Support Subaccount.
- Elimination of Comparable Disqualification (Issue 224)—It is requested that Item 5180-101-0001 be Increased by \$80,000 in 2024-25 and ongoing and Item 5180-141-0001 be decreased by \$206,000 in 2024-25 and ongoing, and Item 5180-141-0890 be decreased by \$308,000 in 2024-25 and ongoing as a result of the elimination of Welfare-to-Work comparable disqualification to align the California Food Assistance Program and CalFresh policy.
- Federal Reporting and Communication Requirements with National Center for Missing and Exploited Children (Issue 225)—It is requested that Item 5180-151-0001 be increased by \$432,000 ongoing for additional workload for county child welfare agencies and probation departments to comply with additional federal reporting and communication requirements when reporting missing youth. It is also requested that Item 5180-151-0890 be increased by \$311,000 ongoing for this purpose. It is also requested that statutory changes be added for these purposes.
- Los Angeles County Child Welfare Stabilization (Issue 244)—It is requested that Item 5180-495 be amended to eliminate a reversion proposed at Governor's Budget which is no longer feasible (see Attachment 2).
- Child Welfare Training Program: Funding Shift from Local Assistance to State Operations (Issue 302)—It is requested that Item 5180-151-0001 be decreased by \$210,000 in 2024-25 and \$205,000 in 2025-26 and ongoing to shift funds to state operations to continue to support statewide coordination for the Child Welfare Training Program in compliance with federal requirements. It is also requested that Item 5180-151-0890 be decreased by \$142,000 in 2024-25 and \$139,000 in 2025-26 and ongoing for the same purpose. These adjustments reflect a net-zero shift of existing funds for this program from local assistance to state operations (see issue 203 above). Foster Care Rate Reform Automation (Issue 306)—It is requested that Item 5180-141-0001 be increased by \$2,465,000 one-time to update foster care rate reform automation costs proposed at Governor's Budget.

- May Revision Caseload Adjustments (Issues 219, 220, 221, 222, 223, 252, 291, 301, 305, 309, and 310)—The May Revision proposes a net ongoing increase of \$1,960,607,000 in 2024-25 that primarily result from updated caseload estimates since the Governor’s Budget, composed of a \$755,188,000 Fund ongoing decrease to General Fund, a \$1,961,819,000 ongoing increase to federal funds, a \$27,000 ongoing decrease to special funds, and a \$754,003,000 ongoing increase to reimbursements. Realigned programs are displayed for the purpose of federal funds 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	(799,802,000)
	5180-101-0890	665,010,000
Child Care	5180-101-0001	(159,450,000)
	5180-101-0890	126,527,000
	5180-104-0001	(368,000)
	Reimbursements	2,442,000
Kinship Guardianship Assistance Payment	5180-101-0001	(145,000)
Supplemental Security Income/State Supplementary Payment (SSI/SSP)	5180-111-0001	(31,357,000)
In-Home Supportive Services (IHSS)	5180-111-0001	104,445,000
	Reimbursements	723,748,000
Other Assistance Payments	5180-101-0001	76,926,000
	5180-101-0122	(27,000)
	5180-101-0890	1,034,869,000
	5180-101-8075	-
	Reimbursements	-
County Administration and Automation Projects	5180-141-0001	50,152,000
	5180-141-0890	34,467,000
	Reimbursements	25,968,000
Child Welfare Services	5180-151-0001	3,612,000
	5180-151-0890	21,320,000
Special Programs	5180-151-0001	799,000
Adult Protective Services	Reimbursements	81,000
Realigned Programs		
Adoption	5180-101-0001	-
	5180-101-0890	81,242,000
Foster Care	5180-101-0001	-
	5180-101-0890	(4,140,000)
	5180-141-0890	3,515,000
Child Welfare Services	5180-151-0001	-
	5180-151-0890	(991,000)
	Reimbursements	1,559,000
Adult Protective Services	Reimbursements	205,000

Budget Bill Language Proposals

- **Provisional Language Only: Fiscal Responsibility Act (FRA) Alternative Accountability Pilot Opportunity**—It is requested that provisional language be added to Item 5180-001-0001 to allow the Department of Finance to augment this item for costs associated with participation in the FRA Pilot no sooner than 30 days after notification in writing is provided to the chairpersons of the fiscal committees in each house of the Legislature and the Chair of the Joint Legislative Budget Committee if the State of California is selected for participation the work outcomes pilot pursuant to section 302 of H.R. 3746, the Fiscal Responsibility Act (see Attachment 4).
- **Provisional Language Only: Able-Bodied Adult Without Dependents Rule**—It is requested that provisional language be added to Items 5180-001-0001 and 5180-001-0890 to allow the Department of Finance to increase expenditure authority in this item up to \$250,000 to comply with the federal Able-Bodied Adult Without Dependents rule if State Operations resources are necessary (see Attachments 3 and 4).
- **Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Reappropriation**—It is requested that Item 5180-494 be amended to reappropriate up to \$2,657,000 General Fund for an additional year for workforce training and county readiness activities to support implementation of Child and Family Teams for family maintenance cases associated with the implementation of BH-CONNECT (see Attachment 6).
- **Provisional Language Only: Family First Prevention Services Reappropriation**—It is requested that Item 5180-493 be amended to reflect a technical change to correct the item number for the State Block Grant in support of the Family First Prevention Services Act (see Attachment 7).
- **Provisional Language Only: Fiscal Responsibility Act (FRA) Alternative Accountability Pilot Opportunity**—It is requested that provisional language be added to Item 5180-101-0001 to allow the Department of Finance to increase expenditure authority in this item up to \$2.4 million to implement the Fiscal Responsibility Act Pilot (Federal H.R. 3746) if California is selected to participate in the FRA pilot (see Attachment 5).
- **Provisional Language Only: Fiscal Responsibility Act (FRA) Alternative Accountability Pilot Opportunity**—It is requested that provisional language be added to Item 5180-141-0001 to allow the Department of Finance to augment this item for costs associated with participation in the FRA pilot upon selection of the State of California for participation in the pilot pursuant to section 302 of H.R. 3746, the Fiscal Responsibility Act (see Attachment 8).

New Trailer Bill Proposals

- Revised Permanent Foster Care Rate Structure
- Facility Inclusion for Community Care Expansion Preservation Program

- Federal Reporting and Communication Requirements with the National Center for Missing and Exploited Children
- Specialized Care Increment Eligibility
- Resource Family Approval Program Alignment with Emergency Caregiving Funding Program
- State and Federal Kinship Guardianship Assistance Payment Program Alignment
- Excellence in Family Finding, Engagement, and Support Program
- Supplemental Nutrition Assistance Program (SNAP) Reimbursement
- Tribal Nutrition Assistance Program
- CalWORKs Intensive Case Management Hourly Increase Pause
- California Food Assistance Program (CFAP) Elimination of Comparable Disqualification
- Family Reunification Delay Implementation
- CalWORKs Maximum Aid Payment (MAP) Increase
- Data Sharing to Quantify the Impacts of the Safety Net on the Whole Californian
- California Food Assistance Program (CFAP) Overissuance Retention Rates
- In-Home Supportive Services (IHSS) Permanent Backup Provider System
- Work Incentive Nutrition Supplement (WINS) Program
- In-Home Supportive Services for Undocumented Individuals

All attachments mentioned can be found in the Department of Finance letters for each department attached to this agenda.

Panel

For each proposal:

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office

Staff Comments

The Subcommittee requests that the Administration present in response to the following questions, which have been posed regarding the reductions and program eliminations included in the Governor's Budget and which have been previewed with the Administration as critical questions for all May Revision cut proposals:

- What is the rationale for this reduction or program elimination proposal?
- How many people will be impacted?
- What have been the expenditure/utilization trends and program history?
- Will individuals' lives and families be destabilized as a result of this reduction/program elimination?
- Will individuals and families fall into homelessness as a result of this proposal?
- What are the expected offsetting increases resulting in other programs given this? Is this accounted for in the Governor's May Revision?

- What measures, if any, are in place within the May Revision to ensure that families will reliably be able to find and access services that will be lost as a result of these reductions?
- Do these measures include support or clear guidance for counties on how best to ensure that families will continue to have access to service following these reductions?
- What action, if any, must we take to ensure the proper implementation of these measures to ensure adequate access to service for families?

The Subcommittee additionally asks how the department plans to respond to the 7.95 percent ongoing reduction to state operations included in the Governor's May Revision proposal.

4100 State Council on Developmental Disabilities

Issue 3: May Revision Proposals

May Revisions Proposals

- Support Services Assistant (Issue 018)—It is requested that Item 4100-001-0890 be increased by \$95,000 in 2024-25 and 1 position ongoing. This request includes \$87,000 in 2025-26 and \$83,000 ongoing beginning in 2026-27. These resources provide authority for a Support Services Assistant.
- Statewide Self-Determination Advisory Committee (Issue 019)—It is requested that Item 4100-001-0001 be amended by increasing reimbursements by \$215,000 in fiscal years 2024-25, 2025-26, and 2026-27 and 1 position ongoing to support an existing interagency agreement with the Department of Developmental Services related to the Statewide Self-Determination Advisory Committee.
- Self-Determination Program Orientations and Trainings (Issue 021)—It is requested that Item 4100-001-0001 be amended by increasing reimbursements by \$565,000 in 2024-25, \$471,000 in 2025-26, and \$478,000 in 2026-27 and 2 positions ongoing to support an existing interagency agreement with the Department of Developmental Services related to Self-Determination Program orientations and trainings.

Budget Bill Language Proposal

- Reappropriation of Go-Kits Reimbursement Authority (Issue 023)—It is requested that Item 4100-491 be added to reappropriate up to \$365,000 from Item 4100-001-0001, Budget Act of 2020, through June 30, 2025. This request corrects a reappropriation included in the 2023 Budget Act and will allow the Council to fully expend its 2020 Wildfire Recovery Fund grant award from the California Community Foundation (see Attachment 1).

Attachments mentioned can be found in the Department of Finance letters for each department attached to this agenda.

Panel

For each proposal:

- State Council on Developmental Disabilities
- Department of Finance
- Legislative Analyst's Office

Staff Comments

The Subcommittee asks how the Council plans to respond to the 7.95 percent ongoing reduction to state operations included in the Governor's May Revision proposal.

4170 California Department of Aging

Issue 4: May Revision Proposals

May Revisions Proposals

- It is requested that Item 4170-001-0001 be decreased by \$1,566,000 in fiscal year 2024-25 and \$1,566,000 in 2025-26, and Item 4170-101-0001 be decreased by \$5.4 million in 2023-24, \$18,434,000 in 2024-25, and \$8,434,000 in 2025-26 to reflect the elimination of the Older Adult Behavioral Health Program. It is also requested that Provision 6 be deleted from Item 4170-101-0001, consistent with this action.
- It is requested that Item 4170-101-0001 be decreased by \$37.2 million in 2024-25, \$37.2 million in 2025-26, and \$37.2 million in 2026-27 to reflect the elimination of the Older Californians Act Modernization Program. It is also requested that Provision 3 be deleted from Item 4170-101-0001, consistent with this action.

Other Adjustments

- It is requested that Item 4170-001-0001 be amended by increasing reimbursements by \$911,000 in 2024-25 and \$908,000 in 2025-26 and ongoing to support the Multipurpose Senior Services Program.
- It is requested that Item 4170-101-0001 be amended by increasing reimbursements by \$2.5 million in 2024-25 and ongoing to support the CalFresh Healthy Living Nutrition Education Program.
- It is requested that Item 4170-001-0890 be amended by increasing reimbursements by \$2,060,000, to realign federal fund reimbursement authority with projected federal grant award amounts.
- It is requested that Item 4170-101-0890 be amended by increasing reimbursements by \$33,395,000, to realign federal fund reimbursement authority with projected federal grant award amounts.

Chaptered Bills in May Revision

- (Issue 059) It is requested that Item 4170-001-0001 be increased by \$130,000 in 2024-25 and \$130,000 in 2025-26 to support 1 position to implement the Lesbian, Gay, Bisexual, and Transgender Disparities Reduction Act, Chapter 832, Statutes of 2023 (AB 1163). See related Issue 016 in the Department of Community Services and Development Finance Letter, Issue 282 in the Department of Health Care Services Finance Letter, Issue 293 in the Department of Social Services Finance Letter, and Issue 317 in the Department of Public Health Finance Letter.

Panel

For each proposal:

- California Department of Aging
- Department of Finance
- Legislative Analyst's Office

Staff Comments

The Subcommittee requests that the Administration present in response to the following questions, which have been posed regarding the reductions and program eliminations included in the Governor's Budget and which have been previewed with the Administration as critical questions for all May Revision cut proposals:

- What is the rationale for this reduction or program elimination proposal?
- How many people will be impacted?
- What have been the expenditure/utilization trends and program history?
- Will individuals' lives and families be destabilized as a result of this reduction/program elimination?
- Will older Californians fall into homelessness as a result of this proposal?
- What are the expected offsetting increases resulting in other programs given this? Is this accounted for in the Governor's May Revision?
- What measures, if any, are in place within the May Revision to ensure that people will reliably be able to find and access services that will be lost as a result of these reductions?
- Do these measures include support or clear guidance for Area Agencies on Aging and counties on how best to ensure that impacted individuals will continue to have access to service following these reductions?
- What action, if any, must we take to ensure the proper implementation of these measures to ensure adequate access to service for families?

The Subcommittee additionally asks how the department plans to respond to the 7.95 percent ongoing reduction to state operations included in the Governor's May Revision proposal.

4300 Department of Developmental Services

Issue 5: May Revision Proposals

May Revision Reductions and Program Eliminations

The May Revision retains all reduction and program elimination proposals that were included in the Governor’s January Budget, including the DDS rate reform delay until July 1, 2025. New May Revision reduction and program elimination proposals include the following.

Issue #	Title	Duration	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Category
284	Tribal Engagement and Outreach for Early Start Services				0.8	0.8	0.8	0.8	Reductions
285	Health and Safety Waiver Application Assistance	Ongoing			3.0	3.0	3.0	3.0	Reductions
286	Direct Support Professional Internship Program	One-Time	20.0						Reductions
287	Emergency Preparedness Resources	Ongoing			1.1	1.1	1.1	1.1	Reductions

The rows from the table above are reorganized as bullets from the Department of Finance letter, which is attached.

The Subcommittee requests that the Department of Developmental Services speak to each proposal in the order of the bullets below. Please pause for questions from the Members after each proposal.

- Regional Centers – Health and Safety Waiver Assistance (Issue 106)—It is requested that Item 4300-101-0001 be decreased by \$3 million, and reimbursements be decreased by \$1,412,000 ongoing for resources related to providing consumers and families assistance in applying for health and safety waivers. It is also requested that conforming statutory changes be added for these purposes.
- Regional Centers – Emergency Preparedness Resources (Issue 107)—It is requested that Item 4300-101-0001 be decreased by \$1,050,000 ongoing for resources related to procuring emergency preparedness supplies and informational materials. Funds for this purpose have historically been provided subject to resource availability.

- Regional Centers – Direct Service Professional Internship Program (Issue 110)—It is requested that Item 4300-495 be added to revert \$20 million one-time from Item 4300-101-0001, Budget Act of 2022, for the direct service professional internship program (see Attachment 1). It is also requested that statutory changes be added for these purposes.
- Regional Centers – Tribal Engagement for Early Start Services (Issue 112)—It is requested that Item 4300-101-0001 be decreased by \$750,000 ongoing to align funding for this outreach initiative with current fiscal year 2023-24 levels.
- (Not included in the table above) Regional Centers – Coordinated Family Support Services (Issue 120)—It is requested that Item 4300-101-0001 be decreased by \$6.6 million and reimbursements be decreased by \$4.4 million one-time as a workload adjustment in the Department of Developmental Services estimate in 2023-24 to reflect revised service cost assumptions.

Other Adjustments

- Reimbursement System Project and Maintenance and Operation Costs (Issue 092)—It is requested that Item 4300-001-0001 be increased by \$3,258,000 in 2024-25, \$2,443,000 in 2025-26, and \$1,791,000 ongoing beginning in 2026-27 to complete the Reimbursement System Project and support maintenance and operations costs. This request also includes provisional language to make the level of 2024-25 funding contingent upon approval of the pending Iterative Project Report by the Department of Technology (see Attachment 2).
- Reimbursement System Project – Reappropriation (Issue 100)—It is requested that Item 4300-490 be added to reappropriate \$5 million from Item 4300-001-0001, Budget Act of 2021, through June 30, 2025. This request corrects a reappropriation included in the 2022 Budget Act and will support completion of the Reimbursement System Project and maintenance and operations costs (see Attachment 3).
- Uniform Fiscal System Modernization and the Consumer Electronic Records Management System Project Planning (Issue 093)—It is requested that Item 4300-001-0001 be increased by \$3,323,000 and reimbursements be increased by \$369,000 one-time to support planning for the Uniform Fiscal System Modernization and Consumer Electronic Records Management System projects. It is also requested that Item 4300-101-0001 be increased by \$2,665,000 one-time for these purposes.
- Allocation for Employee Compensation (Issue 097)—It is requested that Item 4300-001-0001 be increased by \$18,000 and reimbursements be increased by \$2,000 ongoing to reflect revised employee compensation costs.
- Allocation for Employee Benefits (Issue 098)—It is requested that Item 4300-001-0001 be increased by \$2,000 ongoing to reflect revised staff benefit costs.

- State Operated Facilities – Complex Need Residential Program Update (Issue 099)—It is requested that Item 4300-001-0001 be decreased by \$7,038,000 and 28.8 positions one-time to reflect revised staffing cost assumptions for the program in 2024-25.
- State Operated Facilities – Population and Staffing May Revision (Issue 101)—It is requested that Item 4300-001-0001 be increased by \$3,286,000 and 16 positions and reimbursements be decreased by \$3,286,000 and 16 positions ongoing to reflect revised federal reimbursement assumptions related to the Stabilization Training Assistance Reintegration home program.
- Regional Centers – Caseload and Utilization May Revision (Issues 103, 119, and 123)—It is requested that Item 4300-101-0001 be increased by \$41,210,000 and reimbursements be increased by \$32,371,000 ongoing. It is also requested that Item 4300-101-0890 be decreased by \$132,000 ongoing. These adjustments reflect updated expenditure estimates in operations and purchase of services driven by caseload and utilization. In addition to adjustments based on caseload and utilization, 2023-24 expenditure estimates also align with proposed changes in the federal Home and Community-Based Services Spending Plan.

Budget Bill Language Proposals

- Language Only—It is requested that Provision 2 of Item 4300-101-0001 be amended to change General Fund loan authority from \$1,038,350,000 to \$1,044,669,000 to reflect revised estimates regarding federal reimbursements (see Attachment 4).

New Trailer Bill Proposals

- Provisional Eligibility Assessment Requirements
- Health and Safety Waiver Assistance (with Reduction proposal)
- Direct Service Professional Internship Program (with Reduction proposal)

All attachments mentioned can be found in the Department of Finance letters for each department attached to this agenda.

Panel

For each proposal:

- Department of Developmental Services
- Department of Finance
- Legislative Analyst's Office

Staff Comments

The Subcommittee requests that the Administration present in response to the following questions, which have been posed regarding the reductions and program eliminations included in the Governor's Budget and which have been previewed with the Administration as critical questions for all May Revision cut proposals:

- What is the rationale for this reduction or program elimination proposal?
- How many people will be impacted?
- What have been the expenditure/utilization trends and program history?
- Will individuals' lives and families be destabilized as a result of this reduction/program elimination?
- What are the expected offsetting increases resulting in other programs given this? Is this accounted for in the Governor's May Revision?
- What measures, if any, are in place within the May Revision to ensure that people will reliably be able to find and access services that will be lost as a result of these reductions?
- Do these measures include support or clear guidance for regional centers on how best to mitigate against adverse impacts of these proposals, if adopted?
- What action, if any, must we take to ensure the proper implementation of these measures to ensure adequate access to service for people served?

The Subcommittee additionally asks how the department plans to respond to the 7.95 percent ongoing reduction to state operations included in the Governor's May Revision proposal.

4700 Department of Community Services and Development

Issue 6: May Revision Proposals

Chaptered Legislation in May Revision

- Lesbian, Gay, Bisexual, and Transgender Disparities Reduction Act: Chapter 832, Statutes of 2023 (AB 1163) (Issue 016)—It is requested that Item 4700-1010001 be increased by \$943,000 one-time to update intake systems to collect self-identification information pertaining to sexual orientation, gender identity, and intersexuality demographic data, including for various Community Services Block Grant subgrantees. See related Issue 059 in the Department of Aging Finance Letter, Issue 282 in the Department of Health Care Services Finance Letter, Issue 293 in the Department of Social Services Finance Letter, and Issue 317 in the Department of Public Health Finance Letter.

Panel

- Department of Community Services and Development
- Department of Finance
- Legislative Analyst's Office

Staff Comments

The Subcommittee asks how the department plans to respond to the 7.95 percent ongoing reduction to state operations included in the Governor's May Revision proposal.

5160 Department of Rehabilitation

Issue 7: May Revision Proposals

May Revision Proposal

- Office of Employment First (Issue 023)—It is requested that Item 5160-001-0001 be increased by \$1 million and 3 permanent positions ongoing to reflect the shift of the Office of Employment First from the California Health and Human Services Agency to the Department of Rehabilitation (DOR). This is related to the California Health and Human Services Master Plan for Developmental Services to strengthen supports and opportunities for people with intellectual and developmental disabilities who access services across various systems. Establishing the Office of Employment First within DOR advances both the Master Plan for Career Education and for Developmental Services. See related Issue 051 in the California Health and Human Services Agency Finance Letter.

New Trailer Bill Proposal

- It is also requested that statutory changes be added for both this purpose and for the purpose of renaming DOR to the California Department of Disability Works, which aims to better reflect the services provided through the department for individuals with disabilities.

Panel

- Department of Rehabilitation
- Department of Finance
- Legislative Analyst's Office

Staff Comments

The Subcommittee asks how the department plans to respond to the 7.95 percent ongoing reduction to state operations included in the Governor's May Revision proposal.

5175 Department of Child Support Services

Issue 8: May Revision Proposals

May Revision Proposal

- Local Assistance May Revision (Issue 020)—It is requested that Item 5175-101-0890 be decreased by \$1,501,000 ongoing to update federal fund local assistance expenditures based on additional child support collections data becoming available. It is estimated there will be a corresponding increase in collections received for the federal government's share of child support recoupment.
- It is also requested that Item 5175-101-8004 (Child Support Collections Recovery Fund) be increased by \$1,501,000 ongoing to reflect an estimated increase in collections received for the federal government's share of child support recoupment based on updated child support collections information.

New Trailer Bill Proposals

- California Child Support Automation System Annual Reporting Requirement Repeal
- Improved Performance Incentives Repeal

Panel

For each proposal:

- Department of Child Support Services
- Department of Finance
- Legislative Analyst's Office

Staff Comments

The Subcommittee asks how the department plans to respond to the 7.95 percent ongoing reduction to state operations included in the Governor's May Revision proposal.

0530 California Health and Human Services Agency

Issue 9: May Revision Proposals

May Revision Proposals

- Reduce Health and Human Services Innovation Accelerator (Issue 055)—It is requested that Item 0530-001-0001 be reduced by \$1 million in 2023-24 (planned savings), \$42 million in fiscal year 2025-26, and \$32 million in 2026-27, related to the Health and Human Services Innovation Accelerator. The early action agreement delayed funding for this program, and this proposal now eliminates all funding for this program from the budget.
- Office of Employment First (Issue 051)—It is requested that Item 0530-001-0001 be reduced by \$1 million in 2024-25 and ongoing to reflect the shift of the Office of Employment First from the California Health and Human Services Agency to the Department of Rehabilitation (DOR). This is related to the CalHHS Master Plan for Developmental Services to strengthen supports and opportunities for people with intellectual and developmental disabilities who access services across various systems. Establishing the Office of Employment First within DOR advances both the Master Plan for Career Education and for Developmental Services. See related Issue 023 in the Department of Rehabilitation Finance Letter.
- Preschool Development Grant Award Authority Adjustment (Issue 037)—It is requested that Item 0530-001-0890 be increased by \$1,273,000 in 2024-25 one-time to reflect increased expenditure authority related to the Preschool Development Grant program. Provisional language is also requested to allow for future augmentations, contingent upon Joint Legislative Budget Committee notification (see Attachment 1). See related Issue 211 in the Department of Social Services Finance Letter.
- ePOLST Registry Project Reappropriation (Issue 040)—It is requested that Item 0530-001-9745 be increased by \$6,310,000 from the California Health and Human Services Automation Fund in 2024-25 one-time to support the continued planning and implementation of the Electronic Physician Orders for Life Sustaining Treatment (ePOLST) Registry solution. See related Issue 031 in the Emergency Medical Services Agency Finance Letter.
- Central Registry Replacement and California Emergency Medical Services Information System (CEMSIS) Re-procurement Reappropriation (Issue 043)—It is requested that Item 0530-001-9745 be increased by \$2,122,000 from the California Health and Human Services Automation Fund in 2024-25 and 6 positions be added one-time to support planning and implementation of the California Emergency Medical Services Central Registry Replacement Project and re-procurement activities. See related Issue 032 in the Emergency Medical Services Agency Finance Letter.
- OPR Reorganization: California Initiative to Advance Precision Medicine (Issue 053)—It is requested that Item 0530-501-0001 be increased by \$31,518,000 in 2024-25 one-time

to reflect the shift of the California Initiative to Advance Precision Medicine from the Office of Planning and Research to the California Health and Human Services. See related Issue 105 in the Office of Planning and Research Finance Letter.

All attachments mentioned can be found in the Department of Finance letters for each department attached to this agenda.

Panel

For each proposal:

- California Health and Human Services Agency
- Department of Finance
- Legislative Analyst’s Office

Staff Comments

The Subcommittee asks how CalHHS plans to respond to the 7.95 percent ongoing reduction to state operations included in the Governor’s May Revision proposal.

This agenda and other publications are available on the Assembly Budget Committee’s website at: [Sub 2 Hearing Agendas | California State Assembly](#). You may contact the Committee at (916) 319-2099. This agenda was prepared by Nicole Vazquez and Erin Gabel.