



**2023 May Revision
Executive Summary**

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OVERVIEW OF THE DEPARTMENT OF SOCIAL SERVICES

The California Department of Social Services (CDSS) serves, aids, and protects children and adults in California who are experiencing need or vulnerability through a variety of state supervised, locally administered programs and services. Under the Health and Human Services Agency, the Department has approximately 5,800 employees located in 65 offices throughout the state. Program services are provided through the 58 county welfare departments, tribes, probation departments, child care and development contractors, and other service providers and community-based organizations.

LOCAL ASSISTANCE SUMMARY¹

The CDSS local assistance budget provides funding for a wide variety of social services and income assistance programs that are administered through the 58 counties, tribes and local service providers. In Fiscal Year (FY) 2023-24, CDSS will be involved in the delivery of over \$54.1 billion total funds (TF) in local assistance programs and services, which include \$19.2 billion General Fund (GF), \$11.3 billion federal fund, \$8.9 billion County and Realignment Funds, and \$14.7 billion in reimbursements. The department oversees an additional \$22.0 billion in federal benefits not reflected in the CDSS budget.

Program ¹ (Dollars in millions)	FY 2022-23 Total	FY 2022-23 GF	FY 2023-24 Total	FY 2023-24 GF
IHSS	\$19,830.1	\$6,102.3	\$22,368.5	\$8,363.0
SSI/SSP²	10,766.0	3,289.6	11,405.6	3,553.8
CalWORKs³	6,218.9	2,495.8	6,405.3	2,945.1
CalFresh and Nutrition^{2, 4}	22,458.8	1,216.7	18,313.5	1,287.5
Foster Care	3,652.8	278.9	3,884.5	316.1
Child Welfare Services	5,867.0	941.8	5,728.2	656.3
Housing & Homelessness	700.0	518.1	122.9	66.1
Refugees and TCVAP	311.2	27.5	186.7	28.2
Immigrant Integration	379.9	260.6	223.6	213.6
Child Care and Development⁴	5,621.6	1,934.6	5,823.5	2,954.7

The FY 2022-23 CDSS local assistance budget tables reflect a net increase of \$776.8 million TF, which includes a decrease of \$211.4 million GF, from the 2023-24 Governor’s Budget. The major cost drivers for the TF increase include revised estimates for California Work Opportunity and Responsibility for Kids (CalWORKs) Assistance Payments, the Adoption Assistance Program (AAP), In-Home Supportive

¹ Reflects expenditures for major CDSS programs.

² Includes federal benefits not reflected in the CDSS budget.

³ Represents funding needed before fund shifts and Realignment Subaccounts. CalWORKs Stage One Child Care funding is under Child Care Development and CalWORKs Housing Support Program and CalWORKs Domestic Abuse Homeless Assistance Program funding is under Housing and Homelessness.

⁴ Child and Adult Care Food Program funding is under CalFresh and Nutrition.

Services (IHSS) Program, and CalFresh Administration, while also accounting for a decrease in Child Care and Development programs to reflect adjustments to the timing of subsidized child care slot expansions for the General Child Care Program (CCTR), consistent with the time it is taking to implement the significant expansions adopted in recent years. The FY 2023-24 proposed budget represents a net increase of \$2.9 billion TF, which includes an increase of \$1.0 billion GF, from the 2023-24 Governor’s Budget. The TF increase is primarily a result of revised estimates for IHSS, AAP, CalFresh Administration, increased food assistance funding, and updated automation estimates and timelines, but also reflects a decrease in Child Care and Development programs primarily due to revised caseload estimates for CalWORKs Stage Two and Three. For additional funding detail for each program, please see below.

CDSS CASELOAD PROJECTIONS

Program	FY 2022-23 Caseload	FY 2023-24 Caseload	CY to BY % Change
IHSS	619,963	645,217	4.1
SSI/SSP	1,127,189	1,108,625	-1.6
CAPI	14,470	14,532	0.4
CalWORKs	331,707	340,743	2.7
CalWORKs Child Care	129,923	137,273	5.7
CalFresh	2,937,135	2,966,760	1.0
CFAP	41,627	43,661	4.9
CWS	117,873	117,525	-0.3
FC	50,499	50,103	-0.8
Adoption	85,700	85,569	-0.2
Kin-GAP	17,795	18,179	1.1

See [Caseload Packet](#) for visualizations and caseload trends including most recent actuals and changes from the Governor’s Budget.

These local assistance programs currently provide services and benefits in the programs noted above to over 7.4 million people in California’s most vulnerable populations. The Department also provides program funding allocations and contract funding for many other critical services, such as Housing and Homelessness programs, Disaster Assistance, Child Care and Development programs, and Immigration Legal Services, which are not captured in the caseload projections above.

HIGHLIGHTED CDSS PROGRAMS AND BUDGET CHANGES

CALWORKS

Funding (millions)	2023-24 Governor's Budget FY 2022-23	2023-24 Governor's Budget FY 2023-24	2023 May Revision FY 2022-23	2023 May Revision FY 2023-24	FY 2022-23 Change from Governor's Budget	FY 2023-24 Change from Governor's Budget	May Revision Year -to- Year Change
Total*	\$6,402.4	\$6,687.4	\$6,218.9	\$6,405.3	-\$183.5	-\$282.1	\$186.5
Federal/ TANF	3,975.5	3,822.6	3,630.2	3,363.5	-345.3	-459.1	-266.7
State	2,342.3	2,778.5	2,495.8	2,945.1	153.5	166.6	449.3

*Total TANF/GF impact before subaccount funds. The total includes county funds. CalWORKs Housing Support Program and Domestic Abuse Housing Assistance are reflected in the Housing and Homelessness section. CalWORKs Stage One Child Care is reflected in the Child Care and Development section.

The 2023 May Revision includes \$6.2 billion TF in FY 2022-23 for CalWORKs programs, including funding to meet Maintenance-of-Effort (MOE) requirements and accounting for non-MOE GF and Realignment Subaccount funds. This represents a net decrease of \$183.5 million from the previous estimates in the 2023-24 Governor's Budget. The FY 2022-23 decrease is primarily due to slower growth in the projected CalWORKs caseload. The CalWORKs caseload is projected to be 4.6 percent lower than previously projected in the 2023-24 Governor's Budget.

The 2023 May Revision includes \$6.4 billion TF in FY 2023-24 for CalWORKs programs, which is a net decrease of \$282.1 million from the 2023-24 Governor's Budget. The decrease is primarily due to slower growth in the projected CalWORKs caseload. The CalWORKs caseload is projected to be 5.5 percent lower than previously projected in the 2023-24 Governor's Budget.

The 2023 May Revision maintains the transfer of Temporary Assistance for Needy Families (TANF) funding to the California Student Aid Commission at \$400.0 million and utilizes \$18.4 million in FY 2022-23 and \$18.3 million in FY 2023-24 in TANF to California Community Colleges and California Department of Education for educational and work activities for CalWORKs clients.

CalWORKs Assistance and Maximum Aid Payment (MAP) Increases

The FY 2022-23 budget includes \$3.9 billion TF for CalWORKs assistance, reflecting a net decrease of \$182.0 million from the previous estimates in the 2023-24 Governor's Budget. The 2023 May Revision includes \$4.3 billion TF in FY 2023-24 for CalWORKs assistance reflecting a net decrease of \$103.2 million from the 2023-24 Governor's Budget.

A MAP increase of 3.6 percent is proposed for October 1, 2023, based on the projection of available funding in the Child Poverty and Family Supplemental Support Subaccount, which is greater than the 2.9 percent estimated in the 2023-24 Governor's Budget. This increase will bring the non-exempt MAP level from \$1,130 to \$1,171 per month for an

assistance unit of three residing in a high-cost county, which is a \$41 increase from the current level and equates to 57.0 percent of the 2023 Federal Poverty Level.

CalWORKs Single Allocation

The CalWORKs Single Allocation reflects costs to provide Eligibility Administration, Employment Services, and Cal-Learn Intensive Case Management. These costs are budgeted individually for each component, but counties may use the funds interchangeably within the Single Allocation.

The total Single Allocation funding for FY 2022-23 is held to the previous estimates in the 2023-24 Governor's Budget level of \$1.9 billion TF despite slower growth in the Employment Services caseload than previously forecasted. The funding necessary to maintain the allocation at the 2023-24 Governor's Budget level is \$251.6 million TF. The FY 2023-24 total Single Allocation is proposed at \$1.7 billion TF. This reflects a decrease of \$187.7 million TF compared to the 2023-24 Governor's Budget primarily due to slower caseload growth and increases in the Shared Eligibility and Medi-Cal Common Costs.

In addition, the 2023 May Revision proposes an early reversion of an estimated \$280.0 million unspent GF from the FY 2021-22 CalWORKs Single Allocation as a solution to address the state's budget deficit. The early reversion will not have an impact on families receiving CalWORKs services. The Department will work with the County Welfare Directors Association to determine the precise amount available for early reversion.

CalWORKs Family Reunification (FR) Amendments

With the passage of Assembly Bill (AB) 135 (Chapter 85, Statutes of 2021), cash assistance is provided to parents whose child has been removed from the home and placed in out-of-home care for the duration of six months or for a period determined by the department. The 2023 May Revision includes \$1.9 million GF for automation and \$1.9 million GF for county administration to implement AB 135.

CALFRESH AND FOOD ASSISTANCE

Funding (millions)	2023-24 Governor's Budget FY 2022-23	2023-24 Governor's Budget FY 2023-24	2023 May Revision FY 2022-23	2023 May Revision FY 2023-24	FY 2022-23 Change from Governor's Budget	FY 2023-24 Change from Governor's Budget	May Revision Year-to-Year Change
Total	\$22,514.6	\$12,098.4	\$22,458.8	\$18,313.5	-\$55.8	\$6,215.1	-\$4,145.3
Federal	21,020.8	10,734.1	20,876.9	16,618.5	-143.9	5,884.4	-4,258.4
State	1,153.8	1,033.5	1,216.7	1,287.5	62.9	254.0	70.8

The 2023 May Revision includes \$2.8 billion TF (\$902.0 million GF) for CalFresh Administration, including Pandemic-EBT, which represents an increase of \$223.1 million TF (\$59.2 million GF) from the previous estimates in the 2023-24 Governor's Budget. For FY 2023-24, the 2023 May Revision includes \$3.2 billion TF (\$1.1 billion GF) for CalFresh Administration, including Summer EBT, which represents an increase of \$723.9 million (\$233.0 million GF) from the 2023-24 Governor's Budget. The increase reflects impacts of the CalFresh Administrative Rebase and higher monthly average caseload growth than previously projected (from 2.1 million to 2.2 million). The average monthly CalFresh caseload is expected to grow 12.9 percent in FY 2022-23 and 2.6 percent in FY 2023--24.

The 2023 May Revision includes \$114.7 million GF in FY 2022-23 for California Food Assistance Program (CFAP), which reflects a \$14.3 million GF increase from the previous estimates in the 2023-24 Governor's Budget. In FY 2023-24, the 2023 May Revision includes \$101.7 million for CFAP, which represents an increase of \$25.9 million from the 2023-24 Governor's Budget. The year-over-year decrease reflects the sunset of emergency allotments in February 2023, offset by the impacts of the CalFresh Eligibility Administrative Rebase.

CalFresh Administration Rebase

The 2023 May Revision includes \$406.5 million TF (\$159.5 million GF) in additional funding to rebase the methodology used for CalFresh Administration funding. Data from 50 counties was used to inform a new methodology with updated assumptions and variables including application volume, case types, and current eligibility worker costs. The CalFresh Administrative Rebase methodology consolidates costs associated with CFAP, CalFresh Reporting, the Elderly Simplified Application Project, CalFresh State Supplementary Income (SSI) Eligibility Expansion, and CalFresh Temporary Student Eligibility Expansion. The methodology change also impacts Work Incentive Nutritional Supplement, Transitional Nutrition Benefit, and Reimbursement for Food Benefit Theft administration funding which are budgeted separately.

The new methodology updates funding for applications (approved and denied), expedited service timeframe constraints, variance in required activities associated with specific populations, and required administrative activities performed by specialized workers. The methodology utilizes an updated fully loaded CalFresh eligibility worker rate and productive work hours. The average funding for intake is \$224.05 per application with an additional \$226.56 provided for each expedited application. The

average funding for ongoing case management is \$173.30 per mid-period change, \$78.34 per SAR 7, and \$193.54 per recertification. The eligibility worker rate for CalFresh-related premises is \$102.39 per hour. The caseloads for each population will be updated annually, with the methodology being reassessed triennially.

CFAP Expansion

The 2023 May Revision includes \$38.5 million GF for automation and \$1.5 million GF for outreach to prepare for the expansion of CFAP to all noncitizens 55 years of age or older. In recent months, CDSS has continued staff recruitment and hiring, finalized program instructions, drafted the federal state plan amendment, conducted stakeholder engagement, completed review period for state plan and policy drafts, and has developed further clarity regarding the automation changes necessary to support this program expansion. Requests for Proposals have been developed in preparation for outreach contract procurement. Programming can begin concurrently with the California Statewide Automated Welfare System (CalSAWS) migration. CDSS anticipates automation to begin in July 2023 and has updated the anticipated timeline for implementation of the CFAP expansion to October 1, 2025. This reflects a nine-month adjustment from the original implementation timeline, and is 15 months earlier than the January 1, 2027, implementation proposed in the Governor's Budget.

The nine-month adjustment is attributed to additional time needed to develop unanticipated forms and policy guidance and to prepare for pre-enrollment which begins September 2025. As this effort moves through implementation, additional adjustments may be necessary which may advance or delay milestones.

Summer Electronic Benefit Transfer for Children Program (Summer EBT)

The 2023 May Revision includes \$2.0 million TF (\$1.0 million GF) for outreach and \$45.0 million TF (\$22.5 million GF) for payment system automation in FY 2023-24 to enable the state to opt into the Summer EBT program beginning the summer of 2024. Established by the Consolidated Appropriations Act of 2023, Summer EBT will provide \$40 per month in summertime food benefits to children in households that qualify for free or reduced-price school meals. California plans to implement a phased-in approach in summer 2024 which will automatically enroll approximately four million students who qualify for free and reduced-price meals known through CDSS and California Department of Education (CDE) records, bringing about \$480.0 million in federally funded food benefits to California. Beginning summer 2025, in addition to automatic enrollment, households will be able to apply for Summer EBT independently through a standalone application. The Summer EBT application will be developed and monitored by CDE and is intended to expand eligibility for Summer EBT to those not automatically eligible. Benefits for Summer EBT will be 100 percent federally funded, and administrative and automation costs will be split evenly between federal and state funds.

Federal Reimbursement of Food Benefit Theft

The 2023 May Revision includes \$2.2 million TF (\$771,000 GF) in FY 2023-24 for automation associated with implementing federal reimbursements of stolen Supplemental Nutrition Assistance Program (SNAP) benefits, as mandated by the Consolidated Appropriations Act of 2023. This amount represents a shift of \$946,000 TF originally designated for food theft automation updates in FY 2022-23 and an additional \$1.3 million TF in FY 2023-24. Costs associated with this effort are now subject to federal, state, and county cost sharing, reducing the net GF portion of food benefit theft automation costs by \$175,000. Because California already reimburses victims of electronic benefit theft, it is estimated federal reimbursements for stolen SNAP benefits will offset \$31.0 million GF in FY 2023-24.

The May Revision continues to include \$50.0 million TF (\$15.5 million GF) to improve EBT card technology. Beginning in May 2024, EBT cards are set to be issued with Chip EMV/Tap Pay technologies, which provide improved fraud protection over magnetic stripe technology. The Department also has a variety of other mitigation strategies currently underway to address both cash and food benefit theft.

BenefitsCal Parity with GetCalFresh

The May Revision includes \$3.0 million TF (\$1.5 million GF) in 2023-24 to replicate features of GetCalFresh.org in BenefitsCal. Approximately 35 client access enhancements have been identified and include, but are not limited to, a joint Social Security Administration and CalFresh application, a pre-screener for student status, and a benefits replacement feature.

CalFresh Oral Notice of Work Rules

The 2023 May Revision includes \$9.7 million TF (\$3.4 million GF) in FY 2023-24 for CalFresh county administration to comply with federal guidance requiring county welfare departments to provide a comprehensive oral explanation of the CalFresh work rules to Work Registrants, Able-Bodied Adults without Dependents, and CalFresh participants eligible for CalFresh Employment and Training. This new policy is expected to begin November 2023.

2023 Winter Storms

On January 14, 2023, and April 3, 2023, Presidential Major Disaster Declarations with Individual Assistance were declared which activated Disaster CalFresh, the Disaster Case Management Program, and the State Supplemental Grant Program.

The Disaster CalFresh Program provides temporary food benefits to disaster survivors who were not eligible for regular CalFresh benefits at the time of the disaster. It also provides households in the current caseload with disaster supplements up to the maximum benefit for their household size. Each disaster declaration makes \$600,000 available to counties and the Department to administer the program. Current administrative funding is \$1.1 million TF (\$540,000 GF) for local assistance and

\$120,000 TF (\$60,000 GF) for state operations. The estimated benefits currently total \$3.1 million federal funds. The implementation of Disaster CalFresh is ongoing with additional counties added to the declarations as late as the first week of May.

The Disaster Case Management Program provides case management services to disaster survivors. The 2023 May Revision includes \$20.5 million federal funds in FY 2022-23 and \$39.0 million federal funds in FY 2023-24 for this program.

The State Supplemental Grant Program aids survivors with rebuilding, replacement, or rental assistance following major disasters if other sources of assistance are inadequate. The 2023 May Revision includes \$2.5 million GF in FY 2022-23 and \$125,000 GF in FY 2023-24 for this program. As with Disaster CalFresh, implementation is ongoing.

CHILD CARE AND DEVELOPMENT

Funding (millions)	2023-24 Governor's Budget FY 2022-23	2023-24 Governor's Budget FY 2023-24	2023 May Revision FY 2022-23	2023 May Revision FY 2023-24	FY 2022-23 Change from Governor's Budget	FY 2023-24 Change from Governor's Budget	May Revision Year--to--Ye ar Change
Total*	\$6,422.8	\$5,894.7	\$5,621.6	\$5,823.5	-\$801.2	-\$71.2	\$201.9
Federal	3,587.0	2,890.5	3,394.6	2,622.4	-192.4	-268.0	-772.2
State	2,543.4	2,711.9	1,934.6	2,954.7	-608.8	242.8	1,020.1

*Total includes Proposition 64 Funds.

The 2023 May Revision includes \$5.6 billion TF (\$1.9 billion GF) in FY 2022-23, which reflects a net decrease of \$801.2 million (\$608.8 million GF decrease) from the 2023-24 Governor's Budget. The net decrease reflects adjustments to align with actual contract needs as well as a decline in CalWORKs Stage 2 and 3 caseloads.

For direct service programs currently paid through the Standard Reimbursement Rate (SRR), the FY 2022-23 SRR is \$54.93. Counties receive the greater of the SRR or the calculated Regional Market Rate (RMR) daily equivalent rate. Direct Service programs remain funded according to the SRR in all but sixteen counties in FY 2022-23, which are paid at an RMR equivalent rate. For voucher-based programs and direct service programs paid at an RMR equivalent rate, reimbursement levels are currently at the 75th percentile of the 2018 RMR survey.

The 2023 May Revision includes \$5.8 billion TF (\$2.9 billion GF) in FY 2023-24 for child care and development programs, which is a net decrease of \$71.2 million (\$242.8 million GF increase) from the 2023-24 Governor's Budget. The net decrease reflects a decline in CalWORKs Stage 2 and 3 caseloads and a reduction in Cost-of-Living Adjustment funding for direct service programs based on the application to contracts that serve counties on the SRR, offset by a GF increase due to the availability of one-time Federal COVID Relief funding in FY 2023-24.

The May Revision reflects the recent early action package that allows DSS to use \$29.4 million in available federal funds to continue to waive family fees from July 1, 2023 to September 30, 2023, and authorizes CDSS to use roughly \$169.2 million in available federal funds to provide temporary stipends to state-subsidized child care providers.

The State continues to work with Child Care Providers United – California (CCPU) to negotiate a successor agreement to the current agreement expiring June 30, 2023.

MULTIPLE PROGRAMS

Funding Increase to the Equifax/The Work Number Contract

The 2023 May Revision includes an additional \$11.0 million (\$7.1 million TANF/GF) in FY 2023-24 and ongoing for The Work Number contract bringing the total contract costs to \$24.1 million (\$15.7 million TANF/GF) in FY 2023-24. The Work Number is a third-party employment and income verification service used extensively by county

welfare departments to make CalWORKs and CalFresh eligibility determinations. Higher usage of The Work Number verifications has resulted from the state's intention under AB 79 (Chapter 11, Statutes of 2020) to reduce paperwork burdens for beneficiaries.

AUTOMATION

CalSAWS Interface with the Child Welfare Services-California Automated Response and Engagement System (CWS-CARES)

The 2023 May Revision includes \$25.0 million GF in FY 2023-24, to be spent over two years, for CalSAWS to begin work on developing the Foster Care Eligibility Determination functionality that will support the regulatorily required bi-directional interface between CalSAWS and CWS-CARES. This interface system will ensure that CalSAWS and CWS-CARES are compliant with the Administration for Children and Families Comprehensive Child Welfare Information System (CCWIS) regulations. Additional details on updates to the CWS-CARES project can be found in the Children and Family Services section of this document.

ADULT PROGRAMS

SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT (SSI/SSP)

Funding (millions)	2023-24 Governor's Budget FY 2022-23	2023-24 Governor's Budget FY 2023-24	2023 May Revision FY 2022-23	2023 May Revision FY 2023-24	FY 2022-23 Change from Governor's Budget	FY 2023-24 Change from Governor's Budget	May Revision Year-to-Year Change
Total	\$10,742.3	\$11,359.6	\$10,766.0	\$11,405.6	\$23.7	\$46.0	\$639.6
Federal	7,470.1	7,826.2	7,476.4	7,851.8	6.3	25.6	375.4
State	3,272.2	3,533.4	3,289.6	3,553.8	17.4	20.4	264.2

The 2023 May Revision includes \$10.8 billion TF (\$3.3 billion GF) in FY 2022-23 for SSI/SSP programs, which reflects an increase of \$23.7 million TF (\$17.4 million GF) from the 2023-24 Governor's Budget. The increase is due to a higher average SSP grant, slightly slower decline in the projected caseload, and the 2023 SSP grant and Federal COLA increases, partially offset by a lower average SSI grant. The Cash Assistance Program for Immigrants (CAPI) costs are \$172.9 million GF in FY 2022-23.

The 2023 May Revision includes \$11.4 billion TF (\$3.6 billion GF) in FY 2023-24, which reflects an increase of \$46.0 million TF (\$20.4 million GF) compared to the 2023-24 Governor's Budget. The increase is due to a higher average SSP grant, slightly slower decline in the projected caseload, and the 2024 SSP grant and Federal COLA increases, offset by a lower average SSI grant. The CAPI costs are projected to be \$179.2 million GF in FY 2023-24.

IN-HOME SUPPORTIVE SERVICES (IHSS)

Funding (millions)	2023-24 Governor's Budget FY 2022-23	2023-24 Governor's Budget FY 2023-24	2023 May Revision FY 2022-23	2023 May Revision FY 2023-24	FY 2022-23 Change from Governor's Budget	FY 2023-24 Change from Governor's Budget	May Revision Year-to-Year Change
Total	\$18,514.5	\$20,499.7	\$19,830.1	\$22,368.5	\$1,315.6	\$1,868.8	\$2,538.4
Federal	12,647.5	12,740.0	13,727.7	14,005.5	1,080.3	1,265.5	277.8
State	5,867.0	7,759.7	6,102.3	8,363.0	235.3	603.3	2,260.7

The 2023 May Revision includes \$19.8 billion TF (\$6.1 billion GF) in FY 2022-23 for the IHSS program, which reflects a net increase of \$1.3 billion TF (\$235.3 million GF) compared to the 2023-24 Governor's Budget. The increase is due to growth in the hours per case, projected caseload, and cost per hour, offset by the shift of CCI reconciliation funds. This includes impact from the extension of the end date and phase-down for the enhanced Federal Medical Assistance Payment (FMAP) rate from June 30, 2023, to December 31, 2023.

The IHSS costs for FY 2022-23 include costs for a half-year impact of the minimum wage increase to \$15.50. The provider cost per hour is projected to be \$19.00 and the updated hours per case to be 121.2. The caseload is projected to be 619,963.

The 2023 May Revision includes \$22.4 billion TF (\$8.4 billion GF) in FY 2023-24, which reflects an increase of \$1.9 billion TF (\$603.3 million GF) compared to the 2023-24 Governor's Budget due to the growth in the hours per case, projected caseload, and cost per hour.

The IHSS costs for FY 2023-24 include a full-year impact of the \$15.50 minimum wage and a half year impact of \$16.00 minimum wage. The projected provider cost per hour will increase to \$19.88, the updated caseload is projected to increase to 645,217, and the updated hours per case are projected to remain at 121.2.

IHSS Provider Eligibility for Minor Recipients

The 2023 May Revision includes \$60.6 million TF (\$27.9 million GF) in FY 2023-24 for the elimination of the IHSS minor recipient provider eligibility requirements to better serve the IHSS Program's minor recipients and their families. For minor recipients, social workers are required to assess parental ability and availability to provide IHSS care to their minor child. These rules are complex and can result in the unintended consequence of neither a parent nor a non-parent being eligible to work as an IHSS provider. With this change, an IHSS minor recipient will no longer be prohibited from hiring a non-parent provider, including those minor recipients affected by their parent's immigration status.

CHILDREN & FAMILY SERVICES

Funding (millions)	2023-24 Governor's Budget FY 2022-23	2023-24 Governor's Budget FY 2023-24	2023 May Revision FY 2022-23	2023 May Revision FY 2023-24	FY 2022-23 Change from Governor's Budget	FY 2023-24 Change from Governor's Budget	May Revision Year-to-Year Change
Total	\$9,514.1	\$9,301.3	\$9,519.9	\$9,612.6	\$5.8	\$311.3	\$92.8
Federal	3,347.8	3,180.3	3,346.1	3,261.3	-1.7	81.0	-84.8
State	1,244.7	911.4	1,220.8	972.4	-23.9	61.0	-248.4

The Children and Family Services programs include the Child Welfare Services (CWS), Foster Care (FC), Community Care Licensing, AAP, Kinship Guardianship Assistance Payment, and Approved Relative Caregiver programs.

The 2023 May Revision includes \$9.5 billion TF (\$1.2 billion GF) in FY 2022-23, which reflects a net increase of \$5.8 million TF (\$23.9 million GF decrease) from the 2023-24 Governor's Budget. The TF increase reflects growth in projected local expenditures for the Realigned AAP, slightly offset by a decline in projected FC and Federal Guardianship Assistance Payment caseloads. The GF decrease reflects a decline in projected expenditures for FC and AAP associated with the Home-Based Family Care Rate.

The 2023 May Revision includes \$9.6 billion TF (\$1.0 billion GF) in FY 2023-24 for children and family services programs. This represents an increase of \$311.3 million TF (\$61.0 million GF) from the 2023-24 Governor's Budget. The increase in TF reflects the extension and phase-down of the FMAP increase for FC and AAP from June 30, 2023, to December 31, 2023, because of the federal public health emergency ending and growth in projected local expenditures for the Realigned AAP. The GF increase reflects revised automation costs for CWS-CARES and the CalSAWS Interface with CWS-CARES, partially offset by a decline in the projected FC caseloads and the projected expenditures associated with the Home-Based Family Care rate.

CWS-CARES

The 2023 May Revision includes \$163.7 million (\$83.4 million GF), in alignment with Special Project Report 6, to support ongoing project development costs. Of this funding, \$23.0 million (\$11.5 million GF) will be utilized for county participation activities. There is also Budget Bill authority to access an additional \$36.6 million (\$18.3 million GF) should project activities accelerate.

The project will deliver the core CWS-CARES solution through two versions (CWS-CARES V1 and CWS-CARES Version 2 (V2)). With the release of CWS-CARES V1, the project is focused on the functionality necessary to support business operations and federal CCWIS compliance, keep the needs of local child welfare practitioners at the forefront, meet the regulations and policies of state and federal laws, and support the retirement of the CWS/CMS. The release of CWS-CARES V2 will extend CWS-CARES V1 with data-intensive features further supporting the CCWIS compliance, and continued implementation of interfaces with external systems and child welfare contributing agencies.

The project will proceed with a CARES V1 statewide rollout approach for all user organizations at the same time, reducing the risk to child safety by establishing a single statewide system at go live, in which all CARES users will be entering child welfare data into a single system. In alignment with the County Welfare Directors Association, Tribal Consultation, and the CARES project team recommendation, this approach will also include a robust production pilot prior to statewide implementation.

The Core Constituent Participation model and funding to engage counties and tribes in the design and development of CARES has been updated to factor in the new product milestones timeline and implementation strategy for CARES V1 and V2. These updates are to ensure sufficient participation by counties and tribes throughout the development of CARES.

Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment

The May Revision includes \$3.6 million TF (\$2.7 million GF) for the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BHCONNECT). The BH-CONNECT was formerly known as the Behavioral Health Community-Based Continuum. This is a decrease of \$10.8 million TF (\$7.9 million GF) from the Governor's Budget, which reflects an updated implementation timeline for Child and Family Team meetings for Family Maintenance cases from January 2024 to January 2025.

Adoption and Foster Care Analysis and Reporting System (AFCARS) Compliance Penalties

The 2023 May Revision includes \$1.0 million GF to pay fiscal penalties for non-compliance with the AFCARS 2020 Final Rule reporting requirements. The Final Rule requires the collection and reporting on 37 new data elements that are not currently supported by California's Child Welfare Services/Case Management System (CWS/CMS). These data elements will also be required for CWS-CARES V1. It was determined to be more, or equally, cost effective to incur financial penalties for non-compliance with CWS/CMS during the time it will take to add the data elements concurrently to CWS-CARES V1. The Administration for Children and Families is expected to assess the penalties quarterly during the time the State is noncompliant.

HOUSING AND HOMELESSNESS PROGRAMS

Funding (millions)	2023-24 Governor's Budget FY 2022-23	2023-24 Governor's Budget FY 2023-24	2023 May Revision FY 2022-23	2023 May Revision FY 2023-24	FY 2022-23 Change from Governor's Budget	FY 2023-24 Change from Governor's Budget	May Revision Year-to-Year Change
Total	\$698.4	\$121.6	\$700.0	\$122.9	\$1.6	\$1.3	-\$577.1
Federal	182.6	61.8	181.8	56.8	-0.8	-5.0	-125.0
State	515.8	59.8	518.2	66.1	2.4	6.3	-452.1

The CDSS Housing and Homelessness programs provide housing support to assist families experiencing homelessness (or those at risk of being homeless) who are receiving CalWORKs, children and families served by the child welfare system, individuals involved in Adult Protective Services, older adults, and individuals with disabilities. Specific programs include the CalWORKs Housing Support Program (HSP), CalWORKs Homeless Assistance Program, Bringing Families Home (BFH), Housing and Disability Income Assistance Program (HDAP), Home Safe, Project Roomkey, and Community Care Expansion (CCE) Program.

The 2023 May Revision includes \$698.4 million TF (\$516.6 million GF) in FY 2022-23, which reflects no change in TF from the 2023-24 Governor's Budget. The 2023 May Revision includes \$121.6 million TF (\$64.4 million GF) for housing and homelessness programs in FY 2023-24. Year-over-year, there is a net decrease of \$576.8 million TF (\$452.2 million GF) because one-time funding for various initiatives including HSP, BFH, Home Safe, HDAP, and CCE Operating Subsidy Payments were not extended beyond FY 2022-23. However, all the one-time investments in FY 2021-22 and FY 2022-23 provide multi-year spending authority to ensure longer term support for individuals and families who are enrolled in our programs.

OFFICE OF EQUITY PROGRAMS

Funding (millions)	2023-24 Governor's Budget FY 2022-23	2023-24 Governor's Budget FY 2023-24	2023 May Revision FY 2022-23	2023 May Revision FY 2023-24	FY 2022-23 Change from Governor's Budget	FY 2023-24 Change from Governor's Budget	May Revision Year-to-Year Change
Total	\$612.4	\$282.2	\$744.2	\$474.0	\$131.8	\$191.7	-\$270.3
Federal	266.3	132.0	285.7	160.5	19.4	28.5	-125.2
State	335.9	140.0	338.9	303.3	3.0	163.2	-35.7

The CDSS Office of Equity programs provide statewide support to advance department-wide equity goals including Tribal engagement, accessibility, language services, racial equity, and immigrant integration for communities most affected by inequities. The Office of Equity includes the Office of Tribal Affairs, Immigrant Integration Branch, Equal Employment Opportunity Office, Office of the Foster Care Ombudsperson, and Civil Rights, Accessibility, and Racial Equity Office.

The 2023 May Revision includes \$744.2 million TF (\$338.9 million GF) in FY 2022-23 for Equity programs, which reflects an increase of \$131.8 million TF (an increase of \$3.0 million GF) from the previous estimates in the 2023-24 Governor's Budget. The increase is due to updated funding for Refugee Support Services, an increase in the

Trafficking and Crime Victim Assistance Program (TCVAP) expenditures and caseload, and the proposed transition of the Border Operations program from the California Department of Public Health (CDPH) to CDSS. The increase also reflects an additional \$10.0 million GF to support services for victims and survivors of hate crimes and their families and facilitate hate crime prevention measures in consultation with the Commission on Asian and Pacific Islander American Affairs.

The 2023 May Revision includes \$474.0 million TF (\$303.3 million GF) in FY 2023-24, which reflects an increase of \$191.7 million TF (\$163.2 million GF) compared to the 2023-24 Governor's Budget. The increase reflects additional funding for Rapid Response as well as a faster growth in the Refugee Cash Assistance and CalWORKs TCVAP caseloads than previously projected.

Rapid Response

The 2023 May Revision includes one-time \$150.0 million GF in FY 2023-24 for the Rapid Response program to award contracts or grants to nonprofit organizations and other entities that provide services during times of critical need and when other funds are unavailable or insufficient. The Rapid Response program will continue to support the border operation and activities will transition from CDPH to CDSS.

Services for Survivors and Victims of Hate Crimes Augmentation

The 2023 May Revision includes an additional one-time \$10.0 million GF to support services for victims and survivors of hate crimes and their families and to support hate crime prevention measures in consultation with the Commission on Asian and Pacific Islander American Affairs.

STATE OPERATIONS AND LOCAL ASSISTANCE FUNDING

The table below combines the Department's State Operations and Local Assistance funding for the last state fiscal year, the current year, and the budget year.

CDSS TOTAL BUDGET

Funding Source (Dollars in millions)	FY 2021-22	FY 2022-23	FY 2023-24	Change from FY 2022-23 to FY 2023-24
General Fund	\$12,728	\$17,127	\$21,053	\$3,926
Federal Funds	\$10,293	\$13,446	\$11,865	(\$1,581)
Other Funds	\$177	\$263	\$210	(\$53)
Reimbursements	\$11,751	\$13,446	\$14,983	\$1,537
Total Budget	\$34,948	\$45,609	\$48,112	\$2,503

STATE OPERATIONS SUMMARY

The table below illustrates the total position count, including Budget Change Proposals for the 2023-24 Governor's Budget. Positions with limited-term funding, but no position authority, are not included.

Division	FY 2021-22	FY 2022-23	FY 2023-24
Administration	422.5	218.7	220.7
Adult Programs	117.3	122.4	122.4
Child Care & Development	97.5	107.0	116.0
Children and Family Services	357.5	358.5	373.5
Community Care Licensing	1,575.8	1,562.6	1,587.6
Disability Determination Services	1,483.3	1,420.6	1,422.6
Disaster Services	30.0	12.0	12.0
Executive	42.0	59.0	59.0
Family Engagement & Empowerment	285.7	279.9	322.9
Finance and Accounting	0.0	237.4	242.4
Housing and Homelessness	15.0	19.5	39.5
Information Systems	238.9	236.7	239.7
Legal	228.0	239.5	242.5
Office of Equity	65.0	117.0	126.0
Research, Automation, and Data	98.0	101.0	107.0
State Hearings	277.5	289.0	290.0
Total	5,334.0	5,380.8	5,523.8

2023-24 STATE OPERATIONS BUDGET HIGHLIGHTS

The following list of Budget Change Proposals describes position requests proposed for the 2023-24 Spring Finance Letter, which are included in the chart above.

Spring Finance Letter Budget Change Proposal (Dollars in 000s)	Positions	Total Funds
Facility Management System (FMS) *	1.0	\$21,136
California Supporting Providers and Reaching Kids (CalSPARK) Core **	0.0	\$5,950
Child and Adult Care Food Program (CACFP) Right-Sizing	16.0	\$0
Promise Neighborhood State Operations Funding	0.0	\$500
Statewide Verification Hub Staff and Technical Resources ***	0.0	\$1,987
California Statewide Automated Welfare System (CalSAWS) Migration and Ongoing Support	5.0	\$922
Child Welfare Services – California Automated Response and Engagement System (CWS-CARES) Project	10.0	
Total of New State Operations Resources	32.0	

* Includes 16 Limited-Term (LT) positions.

** Includes 2 LT positions.

*** Includes 1 LT positions.