

# AGENDA

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

ASSEMBLYMEMBER DR. JOAQUIN ARAMBULA, CHAIR

WEDNESDAY, APRIL 19, 2023

1:30 P.M. – STATE CAPITOL, ROOM 444

*We encourage the public to provide written testimony before the hearing.  
Please send your written testimony to [BudgetSub1@asm.ca.gov](mailto:BudgetSub1@asm.ca.gov).*

*Please note that any written testimony submitted to the committee is considered public comment and may be read into the record or reprinted.*

*The Capitol will be open for public attendance at this hearing. The public may attend in person or participate by phone. This hearing can be viewed via live stream on the Assembly's website at <https://assembly.ca.gov/todaysevents>.*

*A moderated telephone line will be available to assist with public participation. After all witnesses on all panels and issues have concluded, and after the conclusion of member questions, the public may provide public comment by calling the following toll-free number:*

**1-877-692-8957 / Access Code: 131 54 44.**

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## LIST OF PANELISTS IN ORDER OF PRESENTATION

All panelists are asked to please be succinct and brief in their presentations **(5 minutes maximum per speaker please)** in order to facilitate the timely hearing of all issues. Thank you.

### ISSUE 1. OVERARCHING OVERSIGHT ISSUE – NEEDS OF PEOPLE SERVED BY ADULTS PROGRAMS AT CDSS

1. Kim Johnson, Director, California Department of Social Services
2. Claire Ramsey, Chief Deputy Director, California Department of Social Services
3. Margot Kushel, MD, Professor of Medicine and Division Chief at the Division of Vulnerable Populations at Zuckerberg San Francisco General Hospital and Trauma Center and Director, University of California San Francisco (UCSF) Center for Vulnerable Populations and UCSF Benioff Homelessness and Housing Initiative
4. Tiffany Whiten, Senior Government Relations Advocate, California State Council of Service Employees International Union (SEIU)
5. Adrian Mohammed, State Government Affairs Director, United Domestic Workers (UDW)/American Federation of State, County, and Municipal Employees (AFSCME) Local 3930
6. Rebecca Gonzales, Director of Government Relations and Political Affairs, National Association of Social Workers - CA Chapter
7. Yasmin Peled, Senior Policy Advocate, Justice in Aging
8. Cathy Senderling-McDonald, Executive Director, County Welfare Directors Association of California
9. Ginni Bella, Deputy Legislative Analyst, Legislative Analyst's Office
10. Aanam Khan, Staff Finance Budget Analyst, Department of Finance

### ISSUE 2. OVERARCHING OVERSIGHT ISSUE – IMPLEMENTATION OF HOME AND COMMUNITY BASED SERVICES (HCBS) SPENDING INITIATIVES AND PROGRESS TO REALIZE THE MASTER PLAN FOR AGING (MPA)

1. Susan DeMarois, Director, California Department of Aging
2. Mark Beckley, Chief Deputy Director, California Department of Aging
3. Brent Wakefield, President, Meals on Wheels of San Diego County and Board Chair, Meals on Wheels of California (MOWCA)
4. Michael Costa, Executive Director, California Association of Area Agencies on Aging (C4A)
5. Debbie Toth, President and CEO, Choice in Aging, a nonprofit corporation
6. Karol Swartzlander, Executive Director, California Commission on Aging
7. Jackie Barocio, Principal Fiscal and Policy Analyst, Legislative Analyst's Office
8. Hersh Gupta, Finance Budget Analyst, Department of Finance

**ISSUE 3. BUDGET REVIEW AND OVERSIGHT – IN-HOME SUPPORTIVE SERVICES (IHSS), INCLUDING IHSS CAREER PATHWAYS PROGRAM, PHASE-IN OF UNDOCUMENTED IMMIGRANTS AGE 50 YEARS AND ABOVE, AND RESTARTING OF MEDI-CAL REDETERMINATIONS**

1. Leora Filosena, Adult Programs Division Deputy Director, California Department of Social Services
2. Ginni Bella, Deputy Legislative Analyst, Legislative Analyst's Office
3. Aanam Khan, Staff Finance Budget Analyst, Department of Finance

**ISSUE 4. BUDGET REVIEW AND OVERSIGHT – SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT (SSI/SSP) PROGRAM STATUS AND HOUSING DISABILITY ADVOCACY PROGRAM (HDAP) IMPLEMENTATION UPDATE, INCLUDING HDAP PROPOSED TECHNICAL CHANGES TRAILER BILL LANGUAGE (TBL)**

1. Danielle Morris, Fiscal, Appeals and Benefit Programs Branch Chief, California Department of Social Services
2. Hanna Azemati, Housing and Homelessness Division Deputy Director, California Department of Social Services
3. Ginni Bella, Deputy Legislative Analyst, Legislative Analyst's Office
4. Aanam Khan, Staff Finance Budget Analyst, Department of Finance

**ISSUE 5. BUDGET REVIEW AND OVERSIGHT – COMMUNITY CARE LICENSING (CCL) OVERVIEW AND UPDATES**

1. Kevin Gaines, Community Care Licensing Division Deputy Director, California Department of Social Services
2. Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst's Office
3. Diana Dominguez, Finance Budget Analyst, Department of Finance

**ISSUE 6. GOVERNOR'S PROPOSAL – HOME CARE FUND STABILIZATION BUDGET CHANGE PROPOSAL (BCP) AND TBL**

1. Kimberly Lewis, Community Care Licensing Division Assistant Deputy Director, California Department of Social Services
2. Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst's Office
3. Diana Dominguez, Finance Budget Analyst, Department of Finance

**ISSUE 7. GOVERNOR'S PROPOSAL – REINFORCE THE CAREGIVER BACKGROUND CHECK SYSTEM AND BACKGROUND CHECK RESOURCES BCP**

1. Greg Oliva, Community Care Licensing Division Assistant Deputy Director, California Department of Social Services
2. Angela Short, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

3. Diana Dominguez, Finance Budget Analyst, Department of Finance

**ISSUE 8. OVERSIGHT ISSUE AND GOVERNOR'S PROPOSALS – COMMUNITY CARE EXPANSION AND HOME SAFE IMPLEMENTATION UPDATES, INCLUDING HOME SAFE PROGRAM TECHNICAL CLEAN-UP TBL**

1. Hanna Azemati, Housing and Homelessness Division Deputy Director, California Department of Social Services
2. Ginni Bella, Deputy Legislative Analyst, Legislative Analyst's Office
3. Emily Marshall, Finance Budget Analyst, Department of Finance

**ISSUE 9. GOVERNOR'S PROPOSAL – HOUSING INVESTMENT POWER AND DUTIES TECHNICAL CHANGES TBL**

1. Hanna Azemati, Housing and Homelessness Division Deputy Director, California Department of Social Services
2. Ginni Bella, Deputy Legislative Analyst, Legislative Analyst's Office
3. Emily Marshall, Finance Budget Analyst, Department of Finance

**ISSUE 10. GOVERNOR'S PROPOSAL – MPA PHASE III INFRASTRUCTURE AND CAPACITY BCP**

1. Mark Beckley, Chief Deputy Director, California Department of Aging
2. Ginni Bella, Deputy Legislative Analyst, Legislative Analyst's Office
3. Hersh Gupta, Finance Budget Analyst, Department of Finance

**ISSUE 11. GOVERNOR'S PROPOSAL – HEALTH INSURANCE COUNSELING AND ADVOCACY PROGRAM (HICAP) MODERNIZATION BCP**

1. Nicole Shimosaka, Deputy Director of Administrative Services, California Department of Aging
2. Ginni Bella, Deputy Legislative Analyst, Legislative Analyst's Office
3. Hersh Gupta, Finance Budget Analyst, Department of Finance

**There are no panels for non-presentation items, however any item can be moved to Presentation at any time before or during the hearing by any Member.**

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

## ITEMS TO BE HEARD

### 5180 CALIFORNIA DEPARTMENT OF SOCIAL SERVICES (CDSS)

#### ISSUE 1. OVERARCHING OVERSIGHT ISSUE – NEEDS OF PEOPLE SERVED BY ADULTS PROGRAMS AT CDSS

#### For California Department of Social Services (CDSS) and Department of Finance (DOF):

- What are the most notable trends for older adults as witnessed by CDSS across your major programs that serve this population (e.g. Adult Protective Services (APS), In-Home Supportive Services (IHSS), Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program, Housing Disability Advocacy Program (HDAP), and Home Safe)?

#### For Dr. Margot Kushel:

- What are your most significant observations and concerns about rising senior homelessness? What are the impacts of homelessness for this population and what factors are contributing to the current situation?

#### For Stakeholders and the Legislative Analyst's Office (LAO):

- What are the priority issues and concerns that you want to raise for the Legislature and Administration to consider as the Budget Act of 2023 is crafted?

#### PANELISTS

1. Kim Johnson, Director, California Department of Social Services
2. Claire Ramsey, Chief Deputy Director, California Department of Social Services
3. Margot Kushel, MD, Professor of Medicine and Division Chief at the Division of Vulnerable Populations at Zuckerberg San Francisco General Hospital and Trauma Center and Director, University of California San Francisco (UCSF) Center for Vulnerable Populations and UCSF Benioff Homelessness and Housing Initiative
4. Tiffany Whiten, Senior Government Relations Advocate, California State Council of Service Employees International Union (SEIU)
5. Adrian Mohammed, State Government Affairs Director, United Domestic Workers (UDW)/American Federation of State, County, and Municipal Employees (AFSCME) Local 3930
6. Rebecca Gonzales, Director of Government Relations and Political Affairs, National Association of Social Workers - CA Chapter
7. Yasmin Peled, Senior Policy Advocate, Justice in Aging
8. Cathy Senderling-McDonald, Executive Director, County Welfare Directors Association of California
9. Ginni Bella, Deputy Legislative Analyst, Legislative Analyst's Office

## 10. Aanam Khan, Staff Finance Budget Analyst, Department of Finance

**ADULTS PROGRAMS AT CDSS**

The California Department of Social Services (CDSS) operates an Adult Programs Division, under which the major safety net/anti-poverty and protective services programs for older, low-income Californians are administered. In recent years, California has invested in creating and expanding programs under CDSS's Housing and Homelessness Division that target housing supports to specific older adult populations, including those who are clients of Adult Protective Services (APS), those who are likely eligible for disability benefits, and those in need of care in a residential facility, such as a Residential Care Facility for the Elderly (RCFE).

High-level information about the most prominent of these programs is included below, and more information is included in separate issues for discussion in this agenda. This issue includes information specific to the Adult Protective Services (APS) program below, which is a key intervention to assist vulnerable adults in the community.

**LOCAL ASSISTANCE ESTIMATES – MAJOR ADULTS PROGRAMS**

<b>Program</b> (Dollars in millions)	<b>FY 2022-23 Total</b>	<b>FY 2022-23 GF</b>	<b>FY 2023-24 Total</b>	<b>FY 2023-24 GF</b>
<b>IHSS</b>	\$18,514.5	\$5,867.0	\$20,499.7	\$7,759.7
<b>SSI/SSP</b>	10,742.3	3,272.2	11,359.6	3,533.4

**CDSS CASELOAD PROJECTIONS**

<b>Program</b>	<b>2022 Budget Act</b>	<b>FY 2022-23 Caseload</b>	<b>FY 2023-24 Caseload</b>	<b>CY to BY % Change</b>
<b>IHSS</b>	600,627	615,607	642,289	4.3
<b>SSI/SSP</b>	1,121,398	1,124,520	1,103,661	-1.9
<b>CAPI</b>	14,643	14,520	14,511	-0.1

CAPI stands for the Cash Assistance Program for Immigrants, which is a state-only program to serve legal non-citizens who are aged, blind, or disabled.

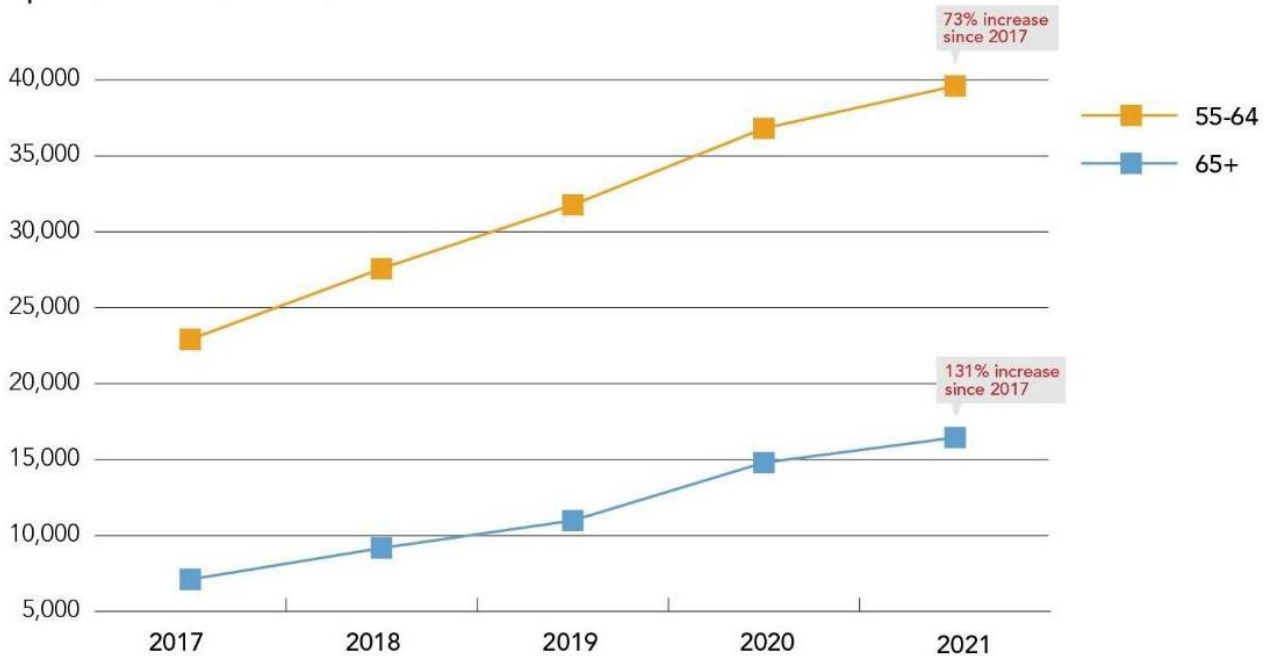
**OLDER ADULT HOMELESSNESS**

Older adults represent the fastest growing age group of California's homeless population. Approximately 45 percent of unhoused Californians in adult-only households who came into contact with the homelessness response system in 2020-21 were age 50 or older. Older Black Californians are overrepresented in those individuals experiencing homelessness, even when accounting for differential poverty rates. Black Californians make up 5.6 percent of the state's population and 31 percent of those accessing homeless services.

High rent burdens, coupled with financial and medical emergencies, can push low-income older adults into homelessness. Experiencing homelessness is tied to severe health declines; research shows unhoused adults develop similar rates of geriatric conditions as housed adults who are 20 years older. Older renters, especially those on Supplementary Security Income (SSI), are more likely to be rental cost-burdened because they have lower incomes than the overall population.

The chart below represents the rise in older adult homelessness from 2017-2021.

Spike in California Older Adult Homelessness 2017–2021



Source: Justice in Aging, data from California Interagency Council on Homelessness.

#### ADULT PROTECTIVE SERVICES

Each of California's 58 counties has an Adult Protective Services (APS) agency to aid adults aged 60 years and older and dependent adults who are unable to meet their own needs, or are victims of abuse, neglect, or exploitation. The APS program provides 24/7 emergency response to reports of abuse and neglect of elders and dependent adults who live in private homes, apartments, hotels or hospitals, and health clinics. APS social workers evaluate abuse cases and arrange for services such as advocacy, counseling, money management, out-of-home placement, or conservatorship. APS social workers conduct in-person investigations on complex cases, often coordinating with local law enforcement, and assist elder adults and their families navigate systems such as conservatorships and local aging programs.



**Governor's Budget.** The Governor's Budget does not include any changes to the APS program. The tables below show APS expenditures from 2021 to the proposed 2023-24 Budget.

Values in Thousands

<b>2021-22 APS Expenditures Table</b>					
	Federal	LRF	County	Health	Total
TOTAL APS	\$0	\$161,088	\$69,038	\$147,122	\$377,248

\*Expenditures reflect the Basic APS Realigned Program expenditures.

Values in Thousands

<b>2022-23 APS Budgeted Table</b>					
	Federal	State	County	Reimb.	Total
TOTAL APS	\$16,531	\$166,455	\$338,089	\$71,357	\$592,432

Values in Thousands

<b>2023-24 APS Budgeted Table</b>					
	Federal	State	County	Reimb.	Total
TOTAL APS	\$0	\$73,955	\$318,792	\$109,595	\$502,342

**Federal Relief.** In the federal Coronavirus Response and Relief Supplemental Appropriations Act of 2021, California APS received \$9.5 million to supplement services in response to the pandemic. This funding allocation was based on each county's percentage of the total average APS monthly elderly (aged 60 and above) caseload. From the funds, \$254,974 was earmarked for an evaluation study to highlight strategies the counties employed and their effectiveness in responding to the unique demands brought on by COVID-19. The federal relief funding has been used for a variety of purposes, including: emergency shelter, technology for staff (laptops, tablets, phones, etc.), extended case management, financial abuse public awareness and education campaign, hiring additional staff, and conducting nursing follow up with clients after case closure. California also received \$8.6 million for APS as part of the American Rescue Plan Act (ARPA). As part of this grant, CDSS submitted a strategic plan for APS in May 2022.

**2021 Budget Act Changes.** The 2021 Budget Act made several changes to the APS program and included \$70 million to expand the APS program. As of January 1, 2022, the elderly eligibility age decreased from 65 to 60. The 2021 Budget also included an increased emphasis on housing for the elderly and required the development of a stakeholder workgroup to explore the feasibility of a statewide automated APS case management system.

CDSS facilitated four virtual meetings in 2022 with the APS Data Workgroup, held a public stakeholder meeting, and surveyed other states to explore the feasibility of a statewide automated APS case management system. CDSS released a report in November 2022, which identifies three recommendations for a statewide system for the APS program: (1) a state-built

case management system; (2) a vendor-built commercial case management system; or, (3) a data warehouse. The report does not identify a preferred option, but rather identifies the advantages, challenges, and considerations associated with each recommendation.

**2022 Budget Act Changes.** The 2022 Budget Act included \$4.6 million General Fund ongoing to continue formerly funded APS training. The 2022 Budget Act also reappropriated unexpended funds included in the 2021 Budget Act for the APS program expansion, and approved position authority for five permanent positions to assist with that expansion.

**Data Collection.** In 2018, the state received a federal grant to improve the state's APS data collection system. The department used the grant to overhaul its primary APS data collection that counties use to electronically submit their monthly statistics. The updated tool was implemented for county use in January 2019. The updated tool captures more comprehensive data that more closely reflects data collected in the federal National Abuse Maltreatment Reporting System database. A key new element in the revised SOC 242 is data tracking recidivism rate. With this, the state is able to detect the rate of repeat clients, a valuable tool to quantitatively measure the effectiveness of interventions and remediation efforts. Also, CDSS is able to now know what other social agencies were utilized in cases as well as better track where referrals are coming from. The updated SOC 242 now provides demographic information on both clients and perpetrators. The APS Public Data Dashboard recently went live on the CDSS website.

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**Staff Recommendation:** This is largely an informational item, however there may be issues or requests from the stakeholders heard in the course of this hearing that may lead to Subcommittee actions after the receipt of the May Revision and as the Assembly forms its version of the Budget. Hold open all issues.

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**4170 CALIFORNIA DEPARTMENT OF AGING (CDA)****ISSUE 2. OVERARCHING OVERSIGHT ISSUE – IMPLEMENTATION OF HOME AND COMMUNITY BASED SERVICES (HCBS) SPENDING INITIATIVES AND PROGRESS TO REALIZE THE MASTER PLAN FOR AGING (MPA)**

The questions for the panelists for this issue are:

**For California Department of Aging (CDA) and Department of Finance (DOF):**

- What is the Administration's reaction to the concerns being raised about the necessity for an extension of the deadline to complete implementation of the HCBS Spending Initiatives and spend all of the appropriated funds?
- What is the progress toward realizing the Five Bold Goals of the Master Plan for Aging? What are the most significant goals for the next few fiscal years?

**For Stakeholders and the Legislative Analyst's Office (LAO):**

- What are the priority issues and concerns that you want to raise for the Legislature and Administration to consider as the Budget Act of 2023 is crafted?

**PANELISTS**

1. Susan DeMarois, Director, California Department of Aging
2. Mark Beckley, Chief Deputy Director, California Department of Aging
3. Brent Wakefield, President, Meals on Wheels of San Diego County and Board Chair, Meals on Wheels of California (MOWCA)
4. Michael Costa, Executive Director, California Association of Area Agencies on Aging (C4A)
5. Debbie Toth, President and CEO, Choice in Aging, a nonprofit corporation
6. Karol Swartzlander, Executive Director, California Commission on Aging
7. Jackie Barocio, Principal Fiscal and Policy Analyst, Legislative Analyst's Office
8. Hersh Gupta, Finance Budget Analyst, Department of Finance

**BACKGROUND**

The California Department of Aging (CDA) administers community-based programs that serve older adults, adults with disabilities, family caregivers, and residents in long-term care facilities throughout the state. As the federally designated State Unit on Aging, the department administers federal Older Americans Act (OAA) programs, the Health Insurance Counseling and Advocacy Program (HICAP), and two Medi-Cal programs. CDA administers most of these programs through contracts with the state's 33 local Area Agencies on Aging (AAA). At the

local level, AAAs contract for and coordinate this array of community-based services to older adults, adults with disabilities, family caregivers, and residents of long-term care facilities.

#### MASTER PLAN FOR AGING

**Master Plan for Aging.** In June 2019, Governor Newsom issued an executive order calling for the creation of a Master Plan for Aging (MPA). In January 2021, the California Health and Human Services Agency (CalHHSA) published the Master Plan for Aging (MPA) to serve as a comprehensive framework that will help to prepare the state for significant demographic changes in the years ahead, including the growth of the 60-and-over population to 10.8 million people by 2030.

The CDA has taken a lead role in developing the MPA. It is driven by five goals (below) and over one hundred initiatives. More information is available at: <https://mpa.aging.ca.gov/>.

- Goal One: Housing for All Ages and Stages.
- Goal Two: Health Reimagined.
- Goal Three: Inclusion and Equity, not Isolation.
- Goal Four: Caregiving that Works.
- Goal Five: Affording Aging.

#### CDA BUDGET AND PROGRAM REVIEW

**Governor's Budget.** The Governor's proposed budget includes \$354.4 million in total spending for CDA.

##### California Department of Aging

##### CY 2022-23 TOTAL BUDGET BY FUND SOURCE

Per 2023-24 Governor's Budget  
(Dollars in Thousands)

Total Funding	Amount	Percent of Total
General Fund	\$ 251,616	31%
State HICAP Fund	\$ 4,582	1%
Federal Trust Fund	\$171,810	22%
Special Deposit Fund	\$ 2,224	0%
Reimbursements	\$15,848	2%
State Department of Public Health, Licensing & Certification Pgm Fund	\$400	0%
Home & Community-Based Services American Rescue Plan Fund	\$353,596	44%
<b>TOTAL</b>	<b>\$ 800,076</b>	<b>100%</b>

## California Department of Aging

## BY 2023-24 TOTAL BUDGET BY FUND SOURCE

Per 2023-24 Governor's Budget

(Dollars in Thousands)

Total Funding	Amount	Percent of Total
General Fund	\$160,898	46%
State HICAP Fund	4,359	1%
Federal Trust Fund	\$171,655	49%
Special Deposit Fund	\$ 1,224	0%
Reimbursements	\$15,835	4%
State Department of Public Health, Licensing & Certification Pgm Fund	\$400	0%
Home & Community-Based Services American Rescue Plan Fund	\$ -	0%
<b>TOTAL</b>	<b>\$ 354,371</b>	<b>100%</b>

The Governor's proposed budget also includes the following significant budget adjustment:

- Modernizing the Older Californians Act. The 2022 Budget Act included \$186 million general fund (\$59.3 million in 2022-23, \$86.9 million in 2023-24, and \$39.8 million in 2024-25) to restore supports and services for older adults that were reduced in the last recession. This included budget bill language authorizing the CDA to work with local Area Agencies on Aging to allocate the funding between the following: (1) senior nutrition programs; (2) family caregiver supports; (3) volunteer development programs; and, (4) aging in place programs.

The Governor's Budget proposes to spend this \$186 million investment over five years instead of three. This amounts to \$37.2 million in each of the five years.

**CDA Programs.** CDA administers the following community-based programs:

- Medi-Cal Programs. The department administers two Medi-Cal programs: it contracts directly with agencies that operate the Multipurpose Senior Services Program (MSSP) and provides oversight for the MSSP waiver and certifies Community-Based Adult Services (CBAS) centers for participation in Medicaid.

MSSP provides both social and health care management services to assist individuals to remain in their own homes and communities. While most of the program participants also receive In-Home Supportive Services, MSSP provides on-going care coordination, links participants to other needed community services and resources, coordinates with health care providers, and purchases some needed services that are not otherwise available to prevent or delay institutionalization. The total annual combined cost of care

management and other services must be lower than the cost of receiving care in a skilled nursing facility. A team of health and social service professionals provides each MSSP participant with a complete health and psychosocial assessment to determine needed services. The team then works with the MSSP participant, their physician, family, and others to develop an individualized care plan. CDA implements MSSP under the supervision of the Department of Health Care Services (DHCS) through an interagency agreement.

CBAS is a community-based day health program that provides services to older adults with chronic medical, cognitive, or mental health conditions or disabilities who are at risk of needing institutional care. Each CBAS center has a multidisciplinary team of health professionals who conduct a comprehensive assessment of each potential participant to determine and plan services needed to meet the individual's specific health and social needs. Services provided at the centers include the following: professional nursing services; physical, occupational and speech therapies; mental health services; therapeutic activities; social services; personal care; hot meals and nutritional counseling; and transportation to and from the participant's residence. CDA implements CBAS under an interagency agreement with DHCS and the California Department of Public Health (CDPH). There are approximately 280 CBAS centers statewide.

- Senior Nutrition. CDA administers two federal senior nutrition programs, the Congregate Nutrition Program and the Home Delivered Meal Program. The Congregate Nutrition program serves individuals age 60 or older with the greatest economic or social need and served more than 4.2 million meals in 2020-21. The Home Delivered Meal Program serves older adults who are not able to attend congregate programs and served more than 24.8 million meals in 2020-21.
- Supportive Services. The Supportive Services Program assists older individuals to help them live as independently as possible and access services available to them. Services include information and assistance, transportation services, senior centers, and legal services for older adults.
- Family Caregiver Support. The Family Caregiver Support Program provides support to unpaid family caregivers of older adults and grandparents (or other older relatives) with primary caregiving responsibilities for a child or individual with a disability. Each AAA is responsible for determining the array of services provided to unpaid family caregivers. Those services can include respite care, support services (such as support groups and training), and supplemental services (such as assistive devices and home adaptations).
- Long-Term Care Ombudsman (LTCO). The LTCO identifies, investigates, and resolves community complaints made by, or on behalf of, residents in long-term care facilities. The office also maintains a 24-hour, seven days a week crisis line to receive complaints by, and on behalf of, long-term care residents.
- Long-Term Care Patient Representative. The 2022 Budget Act created the Office of the Long-Term-Care Patient Representative, which provides trained representatives for

specified long-term care residents who may need medical treatment but lack the capacity to make health care decisions have no legal surrogate authorized to make decisions on their behalf.

- Health Insurance Counseling and Advocacy (HICAP). The HICAP Program provides personalized counseling, outreach, and community education to Medicare beneficiaries about their health and long-term care coverage options.
- Senior Community Service Employment Program (SCSEP). The SCSEP Program provides part-time, subsidized work-based training and employment in community service agencies for low-income persons, 55 years of age and older, who have limited employment prospects.
- Aging and Disability Resource Connection (ADRC). A key component of the Master Plan for Aging is developing pathways for a more coordinated system of services and supports to ensure people can access the services they need. ADRCs are coordinated networks of local providers that serve as community access point for older adults, people with disabilities, and caregivers navigating long-term services and supports. ADRC partnerships provide core service functions (Enhanced Information & Referral, Options Counseling, Short-Term Service Coordination, and Facility-to-Home Transition Services) using person-centered practices that empower individuals to make informed decisions and exercise control over their long-term care needs. Since 2020, CDA has increased the number of fully established local ADRC partnerships from six to 17, encompassing 41 percent of the state's population. In addition, CDA currently has eight partnerships in development ("Emerging ADRCs"), including Los Angeles County, which will capture an additional 31 percent of the state's population once fully established.

**Significant Recent Budget Investments.** The 2021 and 2022 Budget Acts provided significant investment in various CDA programs and initiatives. These investments include:

- Modernizing the Older Californians Act. The 2022 Budget Act included \$186 million to restore supports and services for older adults that were reduced in the last recession.
- Bridge to Recovery Program. The 2022 Budget Act included \$61.4 million General Fund one-time to provide grants to Adult Day Health Care centers and Adult Day Programs, such as CBAS centers, to support the safe return to in-person congregate care.
- RN/Community Health Worker Pilot. The 2022 Budget Act included \$12.5 million General Fund one-time to support a competitive grant pilot program for qualified nonprofit organizations to hire registered nurses and community health care workers to provide health education, navigation, coaching, and care to residents of senior housing developments in the Counties of Contra Costa, Fresno, Orange, Riverside, Sacramento, San Diego, Shasta, and Sonoma.

- Master Plan for Aging Implementation. The 2022 Budget Act included \$10.9 million in 2022-23 and \$3.3 million General Fund ongoing to support 19 permanent positions and resources to: (1) continue implementation of the Master Plan for Aging; (2) establish a State Public Conservator Liaison within the department; (3) develop an Aging and Disability Institute of Learning and Innovation; (4) develop an Expanded Non-Medi-Cal HCBS Evaluation; (5) coordinate and support disaster planning and response; and, (6) develop a Long-Term Care (LTC) Ombudsman Outreach and Awareness campaign.
- Older Adult Recovery and Resiliency Initiative. The 2021 Budget Act included \$106 million General Fund for programs to strengthen older adults' recovery and resilience from isolation and health impacts caused by the COVID-19 pandemic. This investment increases service levels of existing programs based on local needs including Senior Nutrition programs, Senior Legal Aid, Home Modifications and Fall Prevention programs, the Behavioral Health Line, Senior Digital Connections, Family Caregiver Support, Senior Employment Opportunities, Elder Abuse Prevention, and ADRCs. This program is a component of the HCBS Spending Plan.
- Access to Technology for Seniors and Persons with Disabilities. The 2021 Budget Act included \$50 million one-time for the Technology Access for Older Adults and Adults with Disabilities pilot program, which provides grants to counties to assist older adults and adults with disabilities in accessing technology. This program is a component of the HCBS Spending Plan.

**Community-Based Adult Services (CBAS) Update.** With the onset of the COVID-19 pandemic, the federal Center for Medicare and Medicaid Services (CMS) provided temporary flexibility for CBAS centers to operate as a fully virtual or hybrid model. Effective October 1, 2022, that temporary flexibility ended and CBAS centers returned to in-person congregate care, with more narrow flexibility under a new CDA policy known as "Emergency Remote Services." Under Emergency Remote Services (ERS), centers can only provide services to participants remotely if they individually experience a public emergency (e.g., disaster, epidemic outbreak) or a personal emergency (e.g., serious illness, loss of caregiver).

Since the initiation of Emergency Remote Services, CBAS centers have expressed critical issues with this the transition back to in-center services, including drops in attendance and disenrollment and discharges from CBAS services by Managed Care Plans. CDA data currently shows that of the 280 certified CBAS Centers, ERS has been used by 175 centers (62.5 percent), and 105 centers (37.5 percent) have not initiated use of ERS.

- Bridge to Recovery. The Bridge to Recovery Program is designed to support the safe return to in-person congregate care for CBAS and other center-based adult day services. The 2022 Budget Act included \$61.4 million for grants to address infection prevention, infrastructure needs, and staffing shortages and wage differentials. CDA is currently developing an application process for this grant program; the department anticipates releasing a request for applications in June and awarding grants by late summer. CDA has also entered into a \$5 million contract with a consulting firm, PCG, to serve as the fiscal intermediary for this program.



**Multipurpose Senior Services Program (MSSP) Update.** The 2021 Budget Act included \$6.3 million in 2021-22 and \$11.7 million ongoing to make the temporary MSSP rate increase permanent and to increase MSSP slots. Out of the total 2,657 MSSP slots added, 2,286 slots are available for MSSP site use and 371 remain unallocated. As of January 2023, MSSP sites are serving approximately 83 percent of their assigned slots. A needs assessment by UCLA and CDA is underway to ensure an equitable distribution of the remaining 371 unallocated slots.

<b>HOME AND COMMUNITY-BASED SERVICES SPENDING PLAN</b>
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As a part of the 2021 Budget Act, the state was required to submit a package of home- and community-based services (HCBS) enhancements, known as the HCBS spending plan, to the federal government as a condition of drawing down additional federal funds resulting from a temporary 10 percentage point increase to the federal Medicaid match rate. California's plan included \$3 billion in HCBS enhancements, which would be matched by an additional \$1.6 billion in standard Medicaid funds, totaling \$4.6 billion. The 2021 Budget Act included budget bill control section language that allowed the administration to allocate and expend funds to implement the HCBS enhancements through the annual budget process or written midyear notifications to the Legislature. The Department of Health Care Services (DHCS) is the lead state agency on the plan, which spans 26 initiatives across six departments under the California Health and Human Services Agency (CalHHS). This summary is limited to the HCBS programs administered by CDA and CDSS, with specific CDSS programs discussed under Issue 3 of this agenda.

**CDA Programs under the HCBS Spending Plan.** The HCBS Spending Plan includes the following CDA programs:

- Access to Technology for Seniors and Persons with Disabilities: \$50 million. This program provides grants to counties to purchase digital devices service plans and training for older adults to access technology. Forty-two counties are participating, 30 contracts have been executed to date, and remaining contracts are with counties pending local approval.
- Senior Nutrition Infrastructure: \$40 million. This program provides allocations to local AAAs to issue grants to nutrition providers to improve meal production and delivery infrastructure. CDA has executed contracts and allocated funds to 32 of 33 AAAs, which already have or are in the process of developing subcontracts with their meal providers.
- Direct Care Workforce (non-IHSS) Training and Stipends: \$150 million. The CalGrows program is a statewide direct care workforce training and stipends program to incentivize, support, and fund career pathways training for the non-IHSS direct care workforce. CDA awarded \$89 million in grants for various training and incentive programs, which are expected to launch no later than March 1, 2023.

- Older Adult Resiliency and Recovery: \$106 million. This program includes a variety of CDA initiatives to support older adults:
  - Senior Nutrition: \$20.7 million.
  - Senior Legal Services: \$20 million
  - Fall Prevention and Home Modification: \$10 million
  - Family Caregiving Support: \$2.8 million
  - Digital Connections: \$17 million
  - Aging and Disability Resource Connections: \$9.4 million
  - Behavioral Health Line: \$2.1 million
  - Elder Abuse Prevention Council: \$1 million
  - State Operation Resources: \$6 million
- No Wrong Door/Aging and Disability Resource Connections (ADRC): \$5 million. This includes various initiatives to build out the “No Wrong Door” approach, including a data collection system for Older Americans Act and ADRC programs and a statewide web portal for aging and disability services. These projects are in the planning stages of the Project Approval Lifecycle (PAL) process.
- Alzheimer’s Day Care and Resource Centers: \$5 million. This funds a new pilot program called Cal Compass to provide dementia-capable services at licensed centers in the community. Seven contracts were awarded to adult day programs across the state.

In addition, the HCBS Spending Plan originally included \$9 million for CDA to develop a pilot program for Adult Family Homes. The Governor’s proposed 2023-24 budget eliminates this program from the HCBS Spending Plan.

**HCBS Spending Plan Timeline.** The Governor’s proposed 2023-24 budget assumes that all HCBS spending plan funding will be expended by March 2024, and California will not use the additional optional year allowed by the federal government to spend the enhanced federal funding. However, some stakeholders involved in implementing these programs have expressed concerns about being able to implement the programs within the timeline provided, which generally means spending funds and ending programs by December 31, 2023. For example, CDA Senior Nutrition Infrastructure shows \$0 spent to date.

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**Staff Recommendation:** The Subcommittee could consider requesting detailed information from CDA by a date certain, prior to the May Revision, about how it intends to spend HCBS funds timely in the absence of an extension. Hold open all issues.

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## 5180 CALIFORNIA DEPARTMENT OF SOCIAL SERVICES (CDSS)

### ISSUE 3. BUDGET REVIEW AND OVERSIGHT – IN-HOME SUPPORTIVE SERVICES (IHSS), INCLUDING IHSS CAREER PATHWAYS PROGRAM, PHASE-IN OF UNDOCUMENTED IMMIGRANTS AGE 50 YEARS AND ABOVE, AND RESTARTING OF MEDI-CAL REDETERMINATIONS

The questions for the panelists for this issue are:

- Please provide an update on the IHSS Career Pathways program. How does CDSS intend to ensure that all HCBS funds will be spent within the administration's timeline? Will the administration propose to extend program expenditure deadlines if not all funds have been spent by December 2023?
- How many providers does CDSS expect to go through the trainings and receive incentive payments? How is CDSS winding down the program in a way that ensures providers are aware of the deadlines they must meet in order to be eligible for various training incentive payments?
- Please provide an update on the phase-in of undocumented immigrants age 50 and above.
- What protective measures is the state taking regarding the preservation of full-scope Medi-Cal and IHSS considering the restarting of Medi-Cal redetermination in the budget year? What metrics will the state use to track impacts and how will these be relayed to the Legislature directly?

#### PANELISTS

1. Leora Filosen, Adult Programs Division Deputy Director, California Department of Social Services
2. Ginni Bella, Deputy Legislative Analyst, Legislative Analyst's Office
3. Aanam Khan, Staff Finance Budget Analyst, Department of Finance

#### IHSS BUDGET REVIEW AND OVERSIGHT ISSUES

**Background.** The In-Home Supportive Services (IHSS) program provides personal care services to approximately 615,607 qualified low-income individuals who are blind, over 65, or who have disabilities. Services include feeding, bathing, bowel and bladder care, meal preparation, and clean-up, laundry, and paramedical care. These services help program recipients avoid or delay more expensive and less desirable institutional care settings. Eligibility for IHSS is tied to Medi-Cal eligibility.

As of December 2022, approximately 15 percent of IHSS consumers are 85 years of age or older, 40 percent are ages 65-84, 36 percent are ages 18-64, and eight percent are 17 years of age or younger. The IHSS recipient selects, hires, and manages their service provider. Seventy-one percent of IHSS providers are relatives of the recipient; 55 percent of providers are live-in.

**Service Delivery.** County social workers determine IHSS eligibility and perform case management after conducting a standardized in-home assessment of an individual's ability to perform activities of daily living. In general, most social workers annually reassess recipients' need for services. Based on authorized hours and services, IHSS recipients are responsible for hiring, firing, and directing their IHSS provider(s). The average number of service hours provided to IHSS recipients in 2022-23 is estimated to be 116 hours per month.

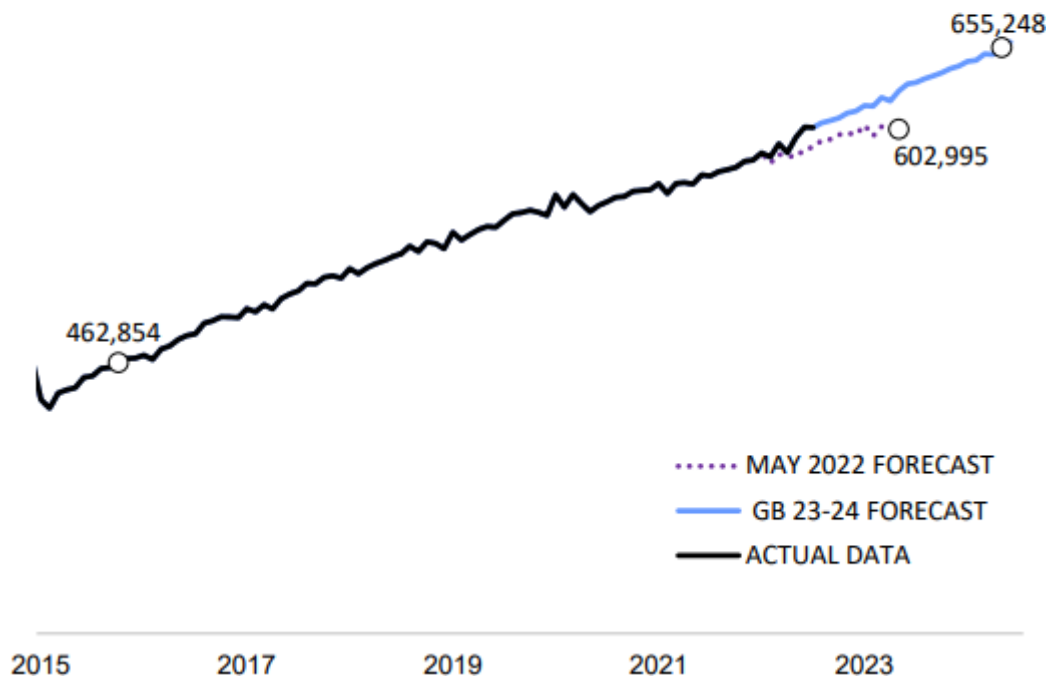
**Governor's Budget.** The Governor's revised budget for 2022-23 includes \$18.5 billion (\$5.9 billion General Fund) in 2022-23 for IHSS program and administration costs. This reflects a net decrease of \$128.4 million (\$267.9 million General Fund). The decrease is due to a lower number of hours per case, which is offset by a higher caseload and cost per hour than previously projected. The General Fund decrease also reflects an extension of the enhanced Federal Medical Assistance Payment (FMAP) rate to June 30, 2023.

The Governor's proposed 2023-24 Budget includes \$20.5 billion (\$7.8 billion General Fund) for IHSS and reflects an increase of \$1.9 billion (\$1.6 billion General Fund) compared to the 2022 Budget Act. This is due to the expansion of full-scope Medi-Cal to undocumented adults age 50 and older regardless of immigration status, conclusion of enhanced FMAP, and growth in the projected caseload and cost per hour.

For 2022-23, the IHSS costs include a half-year impact of \$15.50 minimum wage implementation, while in 2023-24, the IHSS costs include a full-year impact of \$15.50 minimum wage implementation and a half-year impact of \$16.00 minimum wage implementation. The projected provider cost per hour is \$18.62 in 2022-23 and increases to \$19.12 in 2023-24. The updated caseload is projected to be 615,607 in 2022-23 and is projected to increase to 642,289 in 2023-24. The updated hours per case are 116 in 2022-23 and 2023-24.

The 2023-24 Governor's Budget projects a total IHSS caseload of 642,289 recipients, representing a 4.3 percent increase from 2022-23.

## In-Home Supportive Services (IHSS) CASELOAD TREND ANALYSIS



**Phase-In of Undocumented Immigrants Age 50 Years and Above.** The 2023-24 Governor's Budget includes \$103.4 million General Fund in 2022-23 and \$857.2 million General Fund in 2023-24 for the expansion of full-scope Medi-Cal to undocumented adults age 50 and older regardless of immigration status. This expansion became effective on May 1, 2022. However, the Department assumed no costs to the IHSS program until 2022-23 and a significant increase in costs in 2023-24 due to the average amount of time it takes for eligible Medi-Cal recipients to become enrolled in IHSS.

**Permanent Backup Provider System Update.** The 2022 Budget included \$34.4 million (\$15.4 million General Fund) ongoing to establish a permanent backup provider system for IHSS recipients to avoid disruptions to caregiving due to an immediate need or emergency. Under the permanent backup provider system, a recipient who has an urgent need or whose health and safety will be at risk without a backup provider can receive up to 80 hours (if recipient is non-severely impaired) or 160 hours (if recipient is severely impaired) of backup provider services per state fiscal year. Additionally, backup providers are paid \$2 above the local IHSS hourly wage rate. The Governor's proposed 2023-24 budget assumes roughly \$15 million in General Fund costs to support the Backup Provider System in 2022-23 and 2023-24. This additional funding would support over 35,000 IHSS recipients receiving an average of 119 hours of backup care in a year.

**Medi-Cal Redeterminations Restarting in 2023-24.** A majority of IHSS recipients will be required to successfully redetermine under Medicaid requirements that will resume in 2023-24. If an IHSS recipient loses Medi-Cal, they may be eligible for a continuation of IHSS services under the IHSS Residual program, but they would lose full scope Medi-Cal. Given the complicated nature of the redetermination process, and the relative vulnerability of this population due to their health status, in conjunction with the low likelihood of their circumstances changing in such a way that would render them ineligible for Medi-Cal, there has been concern about the potential for inappropriate terminations of coverage. The Subcommittee may wish to consider some action to provide for necessary oversight in the 2023-24 year and ongoing to understand the impacts of the redeterminations restarting for this vulnerable population.

<b>CDSS PROGRAMS UNDER THE HCBS SPENDING PLAN FOR IHSS</b>
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As introduced under Issue 2, the HCBS Spending Plan includes the following CDSS programs impacting IHSS:

**IHSS Care Economy Payments: \$295 million.** The IHSS HCBS Care Economy Payments provided a one- time incentive payment of \$500 to each IHSS Provider who worked for a program recipient for a minimum of two months between March 1, 2020, and March 31, 2021. The one-time payment was provided in January 2022 to 574,730 providers.

**IHSS Career Pathways: \$295 million.** The IHSS Career Pathways program is a new training program to increase the quality of care, recruitment, and retention of providers and to provide training opportunities for career advancement in the home care and health care industries. Providers participating in the IHSS Career Pathways program are paid for the time that they participate in the trainings and are eligible for incentive payments if certain trainings are completed. In order to be eligible for certain incentive payments, IHSS providers must continue to work for IHSS recipients for a certain amount of time after the completion of the training. To be eligible to receive the largest incentive payment (a one-time payment of \$2,000), a provider must continue to work for a particular recipient for a minimum of 40 hours a week for six months after completing the training.

Registration for IHSS Career Pathways classes began in October 2022. From October 2022 through December 2022, 1,181 providers have participated in 3,017 training courses. A total of 547 classes were offered in January, and CDSS plans to have contractors add more classes in March 2023. According to the Legislative Analyst's Office, the average number of hours of training per provider was 1.95 hours. CDSS has received requests for approval of 85 training incentive payments (none have been approved to date).

**Community Care Expansion (CCE) Program (addressed further under Issue 8 of this agenda): \$53.4 million.** The CCE program funds the acquisition, construction, and rehabilitation of adult and senior care facilities that serve applicants and recipients of Supplemental Security Income (SSI) or Cash Assistance Program for Immigrants (CAPI), including individuals who are at risk of or experiencing homelessness. The CCE program

budget of \$805 million appropriated in the 2021 Budget Act includes \$53.4 million of HCBS funding. In an effort to liquidate these funds as soon as possible, CDSS is directing the CCE HCBS dollars towards the CCE Capital Expansion component and will liquidate the HCBS funds first, starting with all acquisition-related costs. Any other funds related to capital expansion projects that are drawn down by awarded projects will come from the HCBS portion of the CCE Capital Expansion budget first, until the entire \$53.4 million is fully liquidated by March 2024.

**HCBS Spending Plan Timeline.** As mentioned under Issue 2, some stakeholders involved in implementing these programs have expressed concerns about being able to implement the programs within the timeline provided, which generally means spending funds and ending programs by December 31, 2023. For example, under this assumed December 2023 expenditure deadline, IHSS providers would need to complete the training program by the end of June 2023 to be eligible for the largest incentive payment of \$2,000. The most recent expenditure data provided by the Department of Finance (DOF) shows that several CDA and CDSS programs under the HCBS spending plan have the bulk of program funds remaining. For example, CDSS IHSS Career Pathways shows only \$2.7 million out of \$295 million spent to date.

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**Staff Recommendation:** The Subcommittee could consider requesting detailed information from CDSS by a date certain, prior to the May Revision, about how it intends to spend HCBS funds, in particular those for the IHSS Career Pathways, timely in the absence of an extension. The Subcommittee could also consider requesting a written analysis by a date certain, before the May Revision, from CDSS regarding the numbers of IHSS recipients who are expected to be subject to the resumption of Medi-Cal Redeterminations and specific strategies intended to retain full scope Medi-Cal coverage for those who remain eligible, in addition to specific metrics the department will be tracking to understand impacts and how and when this information will be shared with the Legislature. Hold open all issues.

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**ISSUE 4. BUDGET REVIEW AND OVERSIGHT – SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT (SSI/SSP) PROGRAM STATUS AND HOUSING DISABILITY ADVOCACY PROGRAM (HDAP) IMPLEMENTATION UPDATE, INCLUDING HDAP PROPOSED TECHNICAL CHANGES TRAILER BILL LANGUAGE (TBL)**

**The questions for the panelists for this issue are:**

- What are the grant levels for the Supplemental Security Income/State Supplementary Payment (SSI/SSP) against the federal poverty line and how do grant levels compare with average rental costs in most California counties?
- What has been the history of inflationary adjustments for SSI/SSP grants and what year are the current grant levels commensurate with in history, dollar for dollar?
- Could the state pivot to a “total expenditure method” regarding SSI/SSP grants, which would prevent a reduction of grant levels below state expenditures in the prior year, to reflect California values?
- The SSI/SSP caseload has been declining slightly. Are there issues with applications and retention of SSI/SSP benefits, or are there other reasons for this dynamic?
- How are the Housing Disability Advocacy Program (HDAP) impacts/outcomes for older adults who are homeless or at risk of becoming homeless and are there programmatic issues in implementation worthy of attention?

**PANELISTS**

1. Danielle Morris, Fiscal, Appeals and Benefit Programs Branch Chief, California Department of Social Services
2. Hanna Azemati, Housing and Homelessness Division Deputy Director, California Department of Social Services
3. Ginni Bella, Deputy Legislative Analyst, Legislative Analyst’s Office
4. Aanam Khan, Staff Finance Budget Analyst, Department of Finance

**BUDGET REVIEW AND OVERSIGHT**

**Supplemental Security Income/State Supplementary Payment (SSI/SSP).** The Supplemental Security Income/State Supplementary Payment (SSI/SSP) programs provide cash assistance to approximately 1.1 million Californians, who are aged 65 or older, are blind, or have disabilities, and in each case meet federal income and resource limits. A qualified SSI recipient is automatically qualified for SSP. SSI grants are 100 percent federally funded. The state pays SSP, which augments the federal benefit.



**Cash Assistance Program for Immigrants (CAPI).** In 1998, the Cash Assistance Program for Immigrants (CAPI) was established as a state-only program to serve legal non-citizens who were aged, blind, or had disabilities. After 1996 federal law changes, most entering immigrants were ineligible for SSI, although those with refugee status are allowed seven years of SSI. The CAPI recipients in the base program include: (1) immigrants who entered the United States prior to August 22, 1996, and are not eligible for SSI/SSP benefits solely due to their immigration status; and, (2) those who entered the U.S. on or after August 22, 1996, but meet special sponsor restrictions (have a sponsor who is disabled, deceased, or abusive). In 2022-23, the CAPI caseload is 14,520.

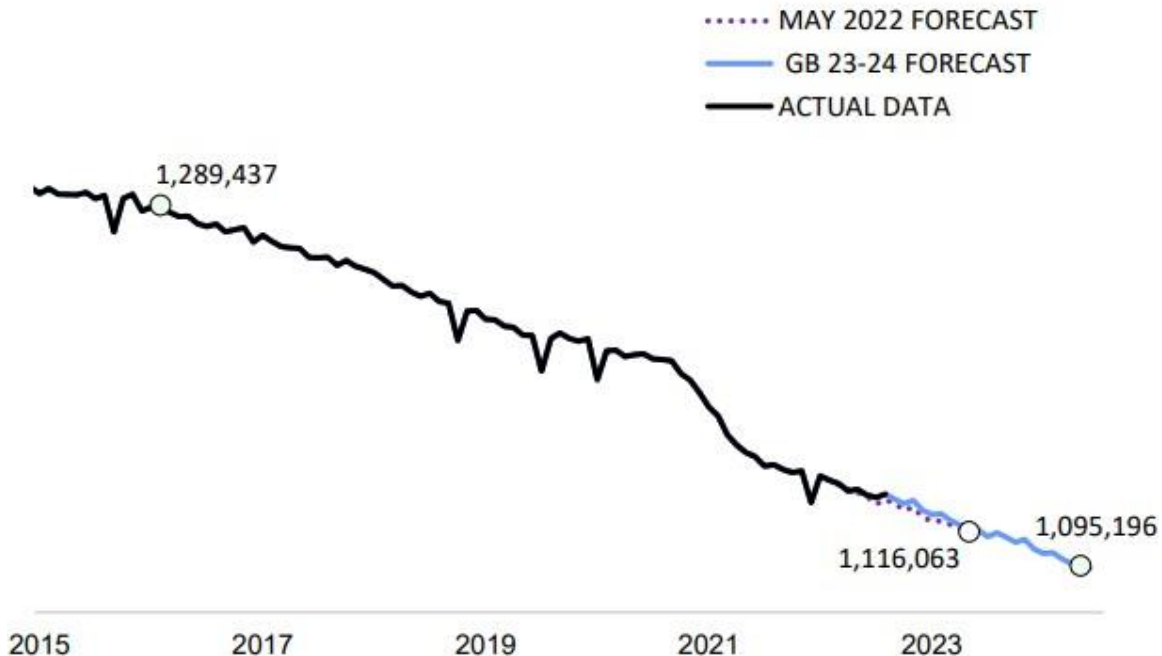
**Governor's Budget.** The Revised Budget for SSI/SSP in 2022-23 is \$10.7 billion (\$3.3 billion General Fund) which reflects an increase of \$9.3 million (decrease of \$16.7 million General Fund). The increase in total funds reflects a higher cost of living adjustment (COLA) in 2023 and a slightly slower caseload decline than initially projected in the 2022 Budget Act. The decrease in General Fund reflects lower average grants than previously projected. CAPI costs are \$173.8 million General Fund in 2022-23.

The 2023-24 Governor's Budget includes \$11.4 billion (\$3.5 billion General Fund) for SSI/SSP, which reflects an increase of \$626.7 million (\$244.4 million General Fund) compared to the 2022 Budget Act. The General Fund increase is due to the full-year impact of the 2023 10.3 percent grant increase and half-year impacts of the proposed 2024 8.6 percent grant increase, partially offset by a continued projected caseload decline. The CAPI Program costs are \$179.6 million General Fund in 2023-24.

**Caseload.** The Governor's budget projects a SSI/SSP caseload of 1,103,661 in 2023-24, which represents a nearly two percent decrease from the current year. The Governor's Budget projects the CAPI caseload will remain relatively flat at 14,511 in 2023-24.

Since 2014-15, the SSI/SSP caseload has shown steady decline due to overall program attrition from the disabled population and slower caseload growth resulting from fewer income eligible individuals. CDSS attributes the further decline starting in 2020-21 to COVID-19 when Social Security Administration (SSA) field offices closed, combined with a growing trend of applicants whose income and/or resources exceed SSI/SSP's eligibility thresholds.

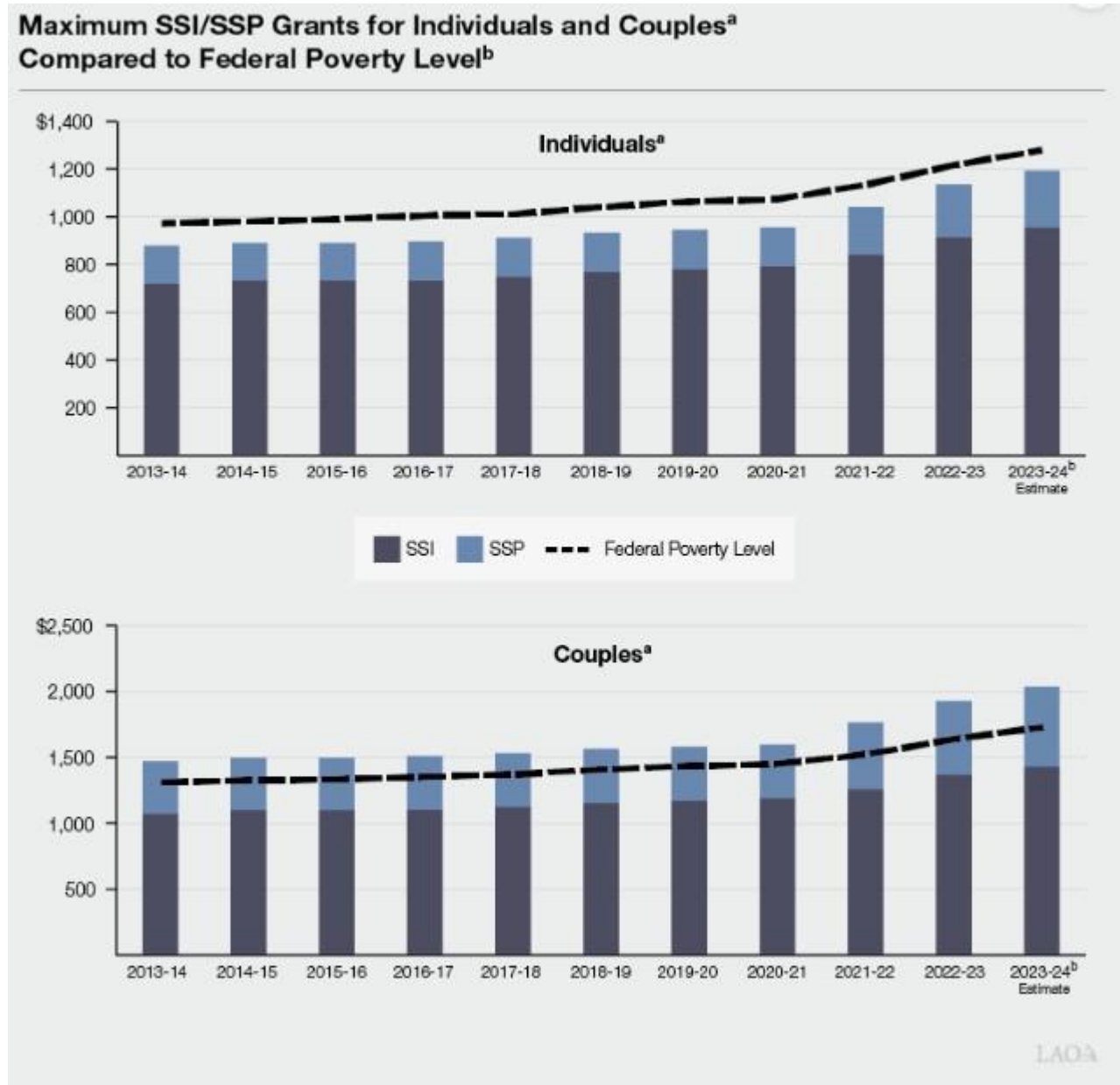
## Supplemental Security Income/State Supplementary Payment Program (SSI/SSP) CASELOAD TREND ANALYSIS



**Grant Levels.** The 2021 Budget Act included \$225 million General Fund in 2021-22 and \$450 million in 2022-23 to increase grants for SSP, Cash Assistance Program for Immigrants (CAPI), and California Veterans Cash Benefits recipients, to restore SSI/SSP grants to 2009 levels.

The 2022 Budget Act accelerated the phase-in of this restoration to January 1, 2023, and included trailer bill language to enact this change. The Governor's proposed 2023-24 budget includes an 8.6 percent projected increase in the SSP grant. This reflects the half-year impact of the 2024 SSP grant increase.

While this recent budget action represents a historic investment to restore SSP grants to pre-Great Recession levels, grant levels remain just above the poverty line for couples and below the poverty line for individuals. The chart below, provided by the Legislative Analyst's Office, compares SSI/SSP monthly maximum grant levels to the federal poverty line.



**Housing and Disability Advocacy Program (HDAP).** HDAP assists people experiencing or at risk of homelessness, who are also likely eligible for federal disability benefits, known as Supplemental Security Income (SSI). The program provides outreach, case management, benefits advocacy, and housing supports. Fifty-seven counties and two tribes participate in the program. Grantees operating local HDAPs must work in collaboration and coordination with the greater homelessness response system and participate in their local homeless

Continuum of Care (CoC) and Coordinated Entry System (CES) to ensure populations with the highest needs are given the highest priority for HDAP services.

Program entry for HDAP varies at the local level. Participants may be screened through Homeless Outreach Teams and referred to the program; some counties identify eligible participants via locally run General Assistance or General Relief programs. There may also be crossover with other CDSS programs including Project Roomkey and Home Safe. CDSS reports that many HDAP grantees connected clients to the program through outreach at local Project Roomkey sites, which made it easier to locate the client, assess them for HDAP eligibility, connect them with a social worker and individualized social services including behavioral health services when applicable, and eventually rehouse them.

HDAP received \$175 million (\$150 million one-time, \$25 million ongoing) in both the 2021 Budget Act and the 2022 Budget Act to expand the program. In addition, local match requirements were waived, and the program was expanded to serve individuals at risk of homelessness rather than individuals who are already homeless. Since 2017, HDAP has helped 2,600 people find permanent housing and 6,000 SSI applications have been submitted. Of the 6,000 applications submitted in FY 2020-21, the majority are still awaiting an eligibility determination from the federal Social Security Administration (SSA). Of the 1,800 disability applications that have a determination, 1,400 have been approved, which equates to a 78 percent approval rate.

The high number of SSI applications submitted through the HDAP program that are pending a decision likely reflects the impacts of the closure of federal SSA field offices from March 2020 until April 2022, which caused significant delays and a general backlog of disability applications. Grantees report that not all necessary documents for filing applications were made available online, and that it was extremely difficult to contact SSA by phone. According to CDSS, HDAP grantees also report continued challenges with coordinating participants' necessary medical care, and advocates' ability to request medical records adequately and consistently in support of ongoing disability benefit claims.

#### HDAP TBL PROPOSAL

Trailer bill language for HDAP proposed in the Governor's Budget makes technical statutory changes to: (1) extend the sunset date for the grantee-match exemption and the waiver of the requirement to collect Interim Assistance Reimbursement (IAR) to align with the expenditure timeline of the one-time funds appropriated in Fiscal Year 2022-23; and, (2) clarify CDSS's obligation to develop regulations corresponding to the entirety of the HDAP statute.

**Staff Recommendation:** The Subcommittee could consider requesting a written response from CDSS by a date certain before the May Revision regarding what it would mean for the state to pivot to a "total expenditure method" regarding SSI/SSP grants, which would prevent a reduction of grant levels below state expenditures in the prior year, to reflect California values. The current standard used is the "payment level method," which enables the state to reduce grants to a minimum, which is equivalent to grant levels from March 1983. Hold open all other issues.

**ISSUE 5. BUDGET REVIEW AND OVERSIGHT – COMMUNITY CARE LICENSING (CCL) OVERVIEW AND UPDATES****The questions for the panelists for this issue are:**

- Can CDSS provide an overview of the Community Care Licensing program, including an update on the CARE Inspection Tool and current inspection backlog?

**PANELISTS**

1. Kevin Gaines, Community Care Licensing Division Deputy Director, California Department of Social Services
2. Angela Short, Principal Fiscal and Policy Analyst, Legislative Analysts Office
3. Diana Dominguez, Finance Budget Analyst, Department of Finance

**BUDGET REVIEW AND OVERSIGHT**

The Community Care Licensing (CCL) Division in the Department of Social Services (CDSS) oversees the licensure or certification of 71,474 licensed facilities that include childcare centers; family child care homes; adult day care facilities; foster family homes; children, adult, and senior residential facilities; and certified family homes and home care organizations. CCL is responsible for protecting the health and safety of individuals served by those facilities. Licensing program analysts investigate any complaints lodged, and conduct inspections of the facilities. As of January 2023, CCL has a total of 1,587 staff.

**Governor's Budget.** Within the state operations budget, the Governor's Budget includes \$244.2 million for CCL in 2022-23. The Governor's proposed budget also includes several budget change proposals for CCL, which are discussed in other issues in this agenda.

**Funding.** Licensed facilities must pay an application fee and an annual fee, which is set in statute. The revenue from these fees is deposited into the Technical Assistance Fund (TAF) and is expended by the department to fund administrative and other activities in support of the licensing program. In addition to these annual fees, facilities are assessed civil penalties if they are found to have committed a licensing violation. Civil penalties assessed on licensed facilities are also deposited into the TAF, and are required to be used by the department for technical assistance, training, and education of licensees.

**2021 Budget Act.** The 2021 Budget Act included the following changes to the CCL program:

- Administrator Certification Training Program Fee Structure. The 2021 Budget revised the fee structure for the administrator certification training program for administrators of community care facilities.

- Reducing Law Enforcement in Children’s Residential Facilities. The 2021 Budget included \$294,000 (\$183,000 General Fund) in 2021-22 and 2022-23 for the extension of limited-term positions to continue work to reduce the use of law enforcement within facilities for foster youth.
- CCL Resources. The 2021 Budget included \$2.3 million (\$1.9 million General Fund) ongoing to support additional positions to address ongoing complaint investigations workload and reduce license application processing time.
- Closure of Adult Residential Facilities and Resident Transfers. The 2021 Budget included \$1.1 million ongoing General Fund to provide temporary oversight of Adult Residential Facilities (ARF) when a facility owner forfeits their license or intends to close the facility.

**2022 Budget Act.** The 2022 Budget Act included the following changes to the CCL program:

- Home Care Fund Loan Forgiveness. The 2022 Budget paused General Fund loan repayments for one year and required CDSS and the Department of Finance to report on revenue trends and structural solutions for the fund.
- CCL Workload. The 2022 Budget included \$1.3 million General Fund ongoing for eight permanent positions to support and provide expertise to the CCL Division regional offices in the Adult and Senior Care Program, Child Care Program, and Children’s Residential Program.
- Migrating Data from Legacy Systems. The 2022 Budget included \$1.5 million General Fund and two one-year limited term positions to complete the project to migrate existing systems to the new staging relational database.
- CARE Inspection Tool Update. All facilities licensed by CCL must meet minimum licensing standards, as specified in California’s Health and Safety Code and Title 22 regulations. CDSS conducts pre- and post-licensing inspections for new facilities and unannounced visits to licensed facilities under a statutorily required timeframe. CCL has developed the Compliance and Regulatory Enforcement (CARE) inspection tools to improve the effectiveness and quality of the inspection process. The CARE Tools focus CCL’s efforts in the three priority areas: prevention, compliance, and enforcement. As of November 2022, the Child Care Program is using the full CARE tools for all pre-licensing and annual inspections; the Children’s Residential Program is using CARE tools for some of their facility categories; and the Adult and Senior Care Program is using CARE tools for all pre and post-licensing inspections as well as COVID- 19 infection control. Because CARE is a more robust tool, CCL reports significantly increased inspection times across program areas, leading to an inspection backlog.

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**Staff Recommendation:** All issues here will be held open.

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**ISSUE 6. GOVERNOR’S PROPOSAL – HOME CARE FUND STABILIZATION BUDGET CHANGE PROPOSAL (BCP) AND TBL****The questions for the panelists for this issue are:**

- Please provide an overview of this BCP and the associated recently released TBL.

**PANELISTS**

1. Kimberly Lewis, Community Care Licensing Division Assistant Deputy Director, California Department of Social Services
2. Angela Short, Principal Fiscal and Policy Analyst, Legislative Analysts Office
3. Diana Dominguez, Finance Budget Analyst, Department of Finance

**BCP AND TBL PROPOSALS**

The California Department of Social Services (CDSS) requests 15 positions and \$2.8 million in ongoing funding to stabilize and provide responsible oversight and enforcement of the home care system in California through the Home Care Program.

The Home Care Services Bureau was created by AB 1217 (Chapter 790, Statutes of 2013), which required that CDSS regulate Home Care Organizations (HCOs), provide background checks for home care aides (HCAs) affiliated with HCOs, and maintain a list of approved independent and affiliated HCAs in a public registry. Along with enforcing background check requirements, CDSS requires HCOs maintain adequate liability and workers’ compensation insurance and requires affiliated HCAs attend annual training and obtain tuberculosis clearances.

Before the passage of AB 1217, home care was unregulated in California. In 2011, the California Senate Office of Oversight and Outcomes found that California was one of the few states to leave the home care services industry unregulated. It was challenging for private individuals hiring in-home caregivers to ascertain accurate information about prospective caregivers’ criminal background. The report examined recent elder abuse cases perpetrated by in-home caregivers, and concluded that in many cases, those convicted of elder abuse—whether involving theft, fraud, or assault—had prior criminal records, underscoring the importance of ensuring that HCAs possess criminal record clearances.

In 2014-15, CDSS received resources to establish and maintain the operational and administrative components of the program prior to the implementation date of January 1, 2016. The program received a General Fund loan of \$1.5 million in 2014-15 to assist with implementation costs with the intent to repay the loan with the fees from Home Care Fund (HCF) revenues (Chapter 25, Statutes of 2014).

In 2015-16, the CDSS received 38.5 positions to implement the program, and an additional loan of \$5.5 million for implementation costs. It was estimated that 2,000 HCOs would seek licensure and 70,000 HCAs would seek registration at program implementation, and 255 additional HCOs would seek licensure each subsequent year.

In 2016-17, the CDSS received a \$1.0 million increase in the loan amount due to revised estimates concerning the number of HCOs and HCAs seeking licensure and registration, respectively, as well as unaccounted for costs regarding the processing of mail applications and responding to complaints. The 2016 budget adjusted the estimated number of HCOs and HCAs that would apply for initial licensure, increasing both estimates to 3,000 and 100,000, respectively.

In 2017-18 and 2018-19, CDSS made two partial General Fund loan repayments of \$1.1 million. In 2017- 18, CDSS received increased expenditure authority, funded by an increase in fees, to meet ongoing workload. The Program increased HCO fees by approximately 8.5 percent (from \$5,165 to \$5,603) and HCA fees by 40 percent (from \$25 to \$35). Since then, CDSS has instituted several cost-saving measures in order to improve the financial standing of the Home Care Program. However, these measures have been insufficient to support the ongoing work of the program.

In 2021-22, the CDSS requested resources, programmatic changes, and loan forgiveness of \$5,681,000. No resources or programmatic changes were approved. The Legislature approved a pause in the loan repayment for one year.

The tables below represent the program budget and workload history of the Home Care Services Bureau:

<b>Resource History</b> (Dollars in thousands)						
<b>Program Budget</b>	<b>16-17 PY-5</b>	<b>17-18 PY – 4</b>	<b>18-19 PY – 3</b>	<b>19-20 PY – 2</b>	<b>20-21 PY-1</b>	<b>21-22 PY</b>
Authorized Expenditures	7,635	8,923	7,819	7,546	7,240	N/A
Actual Expenditures	7,635	8,438	7,713	7,021	6,833	N/A
Revenues	3,556*	7,625	4,078	5,739	8,878	N/A
Authorized Positions	28.0	28.0	28.0	28.0	28.0	28.0
Filled Positions	25	22.25	24.15	25.8	25.7	25.58
Vacancies	3	5.75	3.85	2.2	2.3	2.42

\*Includes GF loan of \$1M



## Workload History

WORKLOAD MEASURE	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
HCA APPS RECEIVED (NEW OR RENEWAL)	53,822	71,988	58,694	73,653	57,017	64,175
HCO APPS RECEIVED (NEW OR RENEWAL)	371	1,169	557	991	639	1208
HCO VISITS (COMPLETED)	129	849	506	257	35*	293
CALL VOLUME	N/A	52,877**	45,695	73,908***	58,354	51,105

\*Visits conducted remotely due to the COVID-19 pandemic.

\*\* Calls for January 2018 through June 2018

\*\*\* Increased call volume to overflow calls from the Care Provider Management Bureau (CPMB), then Caregiver Background Check Bureau CBCB, during the pandemic and after the Guardian implementation.

The Home Care Program was initially established in 2016 as a 100 percent fee-funded program; however according to CDSS, this structure was created under assumptions about program revenues and operational expenses that have since proven incorrect. Due to the lower than projected revenue from unlicensed HCOs, a critical shortage of personnel to conduct inspections, and increased legal expenses, the Home Care Program is not sustainable as originally envisioned. The Program has reduced costs by leaving positions unfilled, reducing travel costs, streamlining work processes, and evaluating procedures for legal review; however, these efforts have been insufficient to operationalize the program within its current resources. Additionally, based on a recent survey of states with a program similar to Home Care Services, CDSS determined that there is a need for non-fee-based funding for those programs. As examples, Oregon and Colorado both utilize General Fund dollars for their programs while Texas utilizes block grants and state funds for its home care licensing program.

Data indicates that far fewer HCOs sought licensure than projected. At program implementation, 1,217 HCOs applied for licensure rather than the expected 2,000, leading to a revenue shortfall of \$4.04 million. Licensure applications continued to decrease in subsequent years. Given that revenues from HCO licensure fees constitute the bulk of program revenues, the lower-than-expected number of licensees has resulted in a significant revenue shortfall. CDSS projects that the lower-than-expected number of HCOs seeking licensure results from a substantial portion of HCOs operating without a license; CDSS estimates that 1,100 HCOs are operating on an unlicensed basis, in comparison with the approximately 1,800 HCOs currently licensed with the state. The continued proliferation of unlicensed HCOs endangers the health and safety of clients in care and lowers operating revenue for CDSS. The lack of sufficient staffing renders the Program unable to investigate complaints of unlicensed HCOs as mandated by statute. Since July 2021, CDSS has completed 27 complaint-related visits to HCOs accused of operating on an unlicensed basis, which represents less than three percent of the estimated number of unlicensed HCOs in California.

The lack of sufficient funding has limited the Program's capacity to conduct mandated inspections and investigations. Program revenues have been redirected to support unanticipated legal expenditures related to due process for licensees and HCAs; furthermore, six initial revenue projections did not account for sufficient personnel and travel costs commensurate with inspection and investigation-related workload. Since program implementation in 2016, the program has accumulated a significant backlog of over 1,700 inspections while only completing 1,800 initial and biennial inspections.

**Staffing and Resources Request.** CDSS requests ongoing funding (\$2.9 million in 2023-24 and \$2.8 million ongoing) and 15 positions to provide stability and support to the Home Care Program, including elevating the Home Care Services Bureau into a Branch. Nine of the requested staff are to create two Enforcement Units to conduct inspections and investigations and one Policy Unit to provide necessary policy guidance for the maintenance of the Program. With the creation of these three new units, CDSS proposes to split the current Bureau structure into two separate bureaus: Policy and Enforcement Bureau and Licensing, Registry and Administrative Support Bureau, creating the need for the Home Care Services Bureau to become the Home Care Services Branch.

The proposed positions for this proposal are included in the table below.

<b>Number of Staff</b>	<b>Position Classifications</b>
1.0	CEA-A
1.0	Staff Services Manager II (SSM II)
3.0	Staff Services Manager I (SSM I)
8.0	Staff Service Analysts/ Associate Governmental Program Analysts (SSA/AGPA)
1.0	Research Data Analyst II (RDA II)
1.0	Attorney III (ATT III)
<b>15.0</b>	

**Enforcement Units.** CDSS requests two Enforcement Units to pursue enforcement of entities that are operating unlicensed HCOs or that are licensed and not operating in accordance with statute and/or regulation. Enforcing those unlicensed entities to become licensed assists with the revenue to the Program and ensures active regulation of HCOs and HCAs. One Enforcement Unit will be responsible for HCOs doing business in Southern California and the other Enforcement Unit will be responsible for HCOs doing business in Central and Northern California.

**Policy Unit.** CDSS requests the establishment of a Policy Unit that will: (1) draft necessary policy guidance for the maintenance of the Program by issuing Provider Information Notices to

licensees; (2) update regulations, as needed; and, (3) provide policy guidance to internal and external stakeholders.

The CDSS Legal Division requests permanent funding and position authority for one (1.0) Attorney III to provide critical legal policy support for the stabilization of the Home Care Services program. The proposed expansion to the Home Care Services Program will increase the number of program Enforcement staff and the number of inspections of unlicensed HCOs. This expansion will result in a significant increase in legal support needs. The Attorney III will provide ongoing legal research and analysis, draft regulations, provide litigation support, and provide ongoing legal consultation to enforcement and program staff, among other responsibilities.

In addition to those positions indicated above, the Quality Management Bureau (QMB) is requesting one (1.0) Research Data Analyst II (RDA II) in the Systems Review Unit. This position is essential to support the Program to develop and maintain a system review model consistent with the other Community Care Licensing Division programs already being served by QMB. The RDA II will be tasked with developing methodologies, creating data collection systems, and creating the reporting structure for the Program. The RDA II will maintain monthly management reports and continue to be responsive to the evolving needs of HCSB.

According to CDSS, these program enhancements are necessary to meet strategic priorities identified by the California Health and Human Services Agency to meet the home care needs of persons with disabilities and California's growing aging population, and to fully operationalize and meet key goals in the California Master Plan for Aging. CDSS notes that California's population age 65 and older is expected to be 87 percent higher in 2030 than in 2012; many of these individuals will utilize home care services to remain in their own homes and age in place.

**Projected Outcomes.** The requested resources will form a Policy & Enforcement Bureau to conduct inspections and investigations. This Bureau will provide an increase in the number of unlicensed/complaint visits completed monthly. With existing resources, the Program completes approximately 65 visits per month; with the requested resources, approximately 400 visits per month can be completed. With current staffing, the current backlog is projected to double by 2022-23; with the requested resources, the Program can reduce the backlog of inspections almost completely by the end of 2024-25. The following table shows the projected outcomes of this proposal:

Workload Measure	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Enforcement Bureau: Projected Completed Inspections (Initial, biennial, closures, suboffices, technical assistance and missed/re-visits)	1,056	1,859	2,028	2,365
Enforcement Bureau: Projected Completed Unlicensed and Complaint Visits	144	253	276	323

*Assumes a total of 40 inspections (30 inspections and 10 unlicensed/complaint visits) are scheduled with an average of 20% missed visit per month, based on current workload data. Full staffing is assumed in June 2024. It is assumed that an average of 12% of completed visits are unlicensed/complaint visits.*

If approved, CDSS will initiate recruitment for 15.0 positions in the two new Enforcement Units, new Policy Unit within the Home Care Services Branch, Quality Assurance Bureau, and Legal Division Policy and Litigation Branch. Within six months of funding, CDSS will initiate a strategy for addressing the inspections backlog and pursuing unlicensed HCOs. The Policy Unit will reevaluate the fee structure with the goal of improving the rate structure for Home Care Organization licensure and stabilizing the Home Care Program revenue. This reevaluation of the fee structure will be completed by January 2025.

Trailer bill language related to this proposal was recently released by the Department of Finance. CDSS states that it requests the following policy changes to ensure Home Care Services in California meet the growing need for well-regulated in-home care: (1) statutory changes to stabilize the funding using General Fund in 2023-24 and 2024-25; and, (2) deferral of \$711,000 General Fund loan repayment in 2023-24.

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**Staff Recommendation:** All issues here will be held open.

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**ISSUE 7. GOVERNOR’S PROPOSAL – REINFORCE THE CAREGIVER BACKGROUND CHECK SYSTEM AND BACKGROUND CHECK RESOURCES BCP****The questions for the panelists for this issue are:**

- What are the reasons for and extent of the current backlog for background checks?
- Is an interim solution needed to timely process background checks until a new background system is operational?
- What are the potential outcomes for programs and services if an interim solution is not adopted?

**PANELISTS**

1. Greg Oliva, Community Care Licensing Division Assistant Deputy Director, California Department of Social Services
2. Angela Short, Principal Fiscal and Policy Analyst, Legislative Analysts Office
3. Diana Dominguez, Finance Budget Analyst, Department of Finance

**BUDGET CHANGE PROPOSAL**

The California Department of Social Services (CDSS) requests contract funding of \$900,000 of which \$300,000 is for three year limited-term funding to support the existing Guardian background check system for ongoing IT maintenance and \$600,000 is for two year limited-term funding to initiate planning activities to develop a replacement to the Guardian system.

**Background.** The CDSS Community Care Licensing Division (CCLD) is responsible for regulating the care facilities it licenses, and protecting the health and safety of children, adults, and seniors in those facilities. CCLD licenses and oversees approximately 74,000 community care facilities throughout California, including childcare facilities, foster family homes, and care facilities for the adult and senior population. Health and Safety Code (HSC) Section 1522 mandates a background check of all applicants, licensees, adult non-residents, volunteers, and employees who have contact with these vulnerable populations. CCLD’s Care Provider Management Bureau (CPMB) conducts these background checks to determine whether individuals should be allowed to be present in a licensed care facility.

CPMB is mandated by Health and Safety Code Sections 1522, 1568.09, 1569.17, and 1596.874 to process background checks resulting in a high volume, high production, time critical operation. CPMB processes over 200,000 Department of Justice (DOJ) fingerprint results annually, of which approximately 75,000 have criminal background histories. To determine if these applicants can be granted a criminal record exemption, CPMB screens, routes, reviews and analyzes these histories in addition to over 50,000 additional background check documents requested and received from facilities, applicants, and law enforcement

agencies per year. This requires processing high volumes of incoming and outgoing mail and faxes, as well as creating, filing, and retrieving over 12,000 paper case files per year. CPMB also manually processes over 20,000 TrustLine and Home Care Services Registry applications that are received through the mail that require manual input into the data system and processing of paper checks for registry fees. The table below depicts the current CPMB Program Budget:

**Resource History**  
(Number of Positions)

<b>CPMB Program Budget</b>	<b>PY – 5</b>	<b>PY-4</b>	<b>PY – 3</b>	<b>PY-2</b>	<b>PY-1</b>	<b>CY</b>
Authorized Positions	81.75	80.75	81.75	81.75	88.7	87.7
Filled Positions	73.125	72.55	72.775	76.075	78.575	78.7
Vacancies	8.625	8.2	8.975	5.675	10.125	9.0

In 2013, CDSS and the California Department of Public Health (CDPH) applied for, and were awarded, a federal block grant funded by the Office of Inspector General called the National Background Check (NBC) Program. The goal of the NBC pilot program was to streamline criminal background check processes. The NBC pilot program ended in 2016. CDSS and CDPH met their minimum obligations as participants in the pilot, however the state of California had a hard hiring freeze during this time period, and CDSS could not adequately recruit state resources to leverage the NBC software at the operational level, which decreased the overall success of the pilot. Immediately following the pilot, CDPH moved forward in procuring the NBC system, which is still in use, but CDSS continued to use its prior criminal background check system until January 2019 due to concerns over the costs of switching systems and CDSS wanting to leverage the enhancements made since the conclusion of the pilot in 2016.

In the last quarter of 2018, CDSS revisited the NBC Program and looked to leverage many of the enhancements developed by CDPH and other states since 2016. To deliver the NBC system, later retitled as the Guardian system, CDSS received delegated approval from the Office of Agency Information Officer (OAIO) due to the nature of being a low-cost value, internally facing, Commercial Off the Shelf (COTS) solution.

The Guardian vendor initially anticipated minimal customization to meet CDSS' business needs. When the vendor started to design and develop the workflows, the vendor team highlighted the need for software customization instead of configuration beyond their original estimate. Because of the urgent need for facilities to manage their background checks electronically because of the COVID-19 State of Emergency and related stay at home orders,



Guardian was developed as a minimum viable product and was rolled out in January 2021, with customizations deferred. The new database has experienced system inefficiencies and technical challenges, resulting in both the ongoing need for system workarounds and in processing delays. This has resulted in increased backlogs and has created a high volume of public telephone inquiries.

According to CDSS, the average timeframe for a background check clearance (no criminal history) is six days once CDSS receives the required information from the Department of Justice (DOJ). Approximately 11 percent of applications require an exemption (some criminal history). These cases are currently exceeding an average of 150 days to process. Prior to the implementation of Guardian, when all background check activities were conducted on paper, the average time frame for a standard exemption was 120 days.

**Issues with the Guardian System.** Since initial deployment of the full system in January 2021, numerous issues have been identified in the Guardian system.

Workflow Challenges. In the development of custom workflows necessary to meet CPMB's business needs, the vendor team highlighted the acute need for NBC software customization, beyond their original estimate and the baseline functionality implemented for the 20 other states that the vendor has developed and hosted. According to CDSS, the most significant challenges with the Guardian system have been as follows:

- The original cost and functionality was based on experience deploying the NBC system to other states as well as CDPH; however California's needs specific to background checks for CDSS programs are significantly more complex, requiring far more customization than initially anticipated and increasing the cost from the initial estimates.
- Data migrated from the legacy criminal background check system was not adequately cleaned prior to the migration resulting in additional cases that appear to be pending but were previously completed. This skewed the data significantly.
- Due to lack of product customization, the current system has problems meeting CDSS specific requirements related to automating workflows. This limitation greatly hinders day-to-day business operations while processing background checks applications.
- Due to underlying system issues, CDSS could not move into a maintenance and operations contract within the timeframes expected.

Tracking. Guardian system lacks proper functionality for tracking case milestones and deadlines. For example, when CCLD staff are working standard exemption cases, letters are mailed to applicants who then have 45 days to respond with the required information. Currently, Guardian is not capable of alerting staff (or sending proper notifications) when the 45-day period has expired; additionally, there is no ability to generate an automated alert to the applicant that their deadline has expired. The system will automatically move the case to the next step but will not alert anyone. CDSS currently tracks this outside of Guardian using a manual process and Microsoft Excel spreadsheet.

There also is no functionality to alert or notify CCLD staff when the due date has ended for ordered arrest reports. This is currently being tracked manually outside of Guardian, which is laborious to enter and manage. When these deadlines expire, and nobody is notified, it has major impact on applicants, who experience extended wait times to begin their employment, and providers, who are waiting on an applicant's exemption to be completed and struggle to hire staff in their facilities.

Department of Justice (DOJ) Interface. The functionality assigning the criminal history, as well as the functionality which populates fields related to the criminal history on the employee profile, have been turned off because they would not function properly. The risk of not having this functionality is that certain criminal information, that would effectively remove an employee from a care facility or end their employment outright, will not populate to the employee's profile. As a workaround, CCLD staff are currently manually printing and processing all subsequent criminal history. Printing and processing subsequent criminal histories are intensely manual and slow processes that carry a higher risk of error. This has contributed to an immense backlog of work.

Extreme backlog of background check cases. CPMB is experiencing an extreme backlog of background check cases since deployment of the Guardian system in January 2021. Since implementation, the backlog has increased approximately 30 percent, creating significant impacts on internal and external stakeholder business practices. Background check cases where an exemption is required are currently exceeding an average of 150 days to process and, in many cases, far longer (the expectation is approximately an average of 90 days). The table below depicts backlogs in Guardian:

**Backlogs in Guardian**

<b>Case Type</b>	<b>Backlogs (Current data in Guardian)</b>
<b>Backlogged Cases in Process</b>	12,784
<b>Backlogged Cases Not Started</b>	7,500
<b>Arrest Only Investigations</b>	4,795
<b>TOTALS</b>	<b>25,079</b>

High Volume of Calls. CDSS reports that Public inquiries via phone and email are at an all-time high and CPMB is unable to meet the demand. CPMB is only able to answer phones from 8:00 a.m. to 12:00 p.m. The limited phone period allows for program staff to perform other critical duties, such as responding to Guardian email inquiries, priority case resolution, DOJ error batch resolution, incoming mail/faxes, and meetings/trainings.

Phone wait times are averaging approximately 44 minutes, with some wait times up to two hours. It is currently necessary to redirect staff from other areas of the Bureau to assist with this demand, which takes them away from processing cases and other high-priority assignments. The inability to answer public inquiries and process background checks in a timely manner negatively impacts licensed facilities, registries, and Trustline's ability to hire



care providers. Prior to Guardian, there were occasional calls to analysts working cases, but a customer service unit did not exist for ongoing public support. CPMB currently averages approximately 200 calls daily. Approximately 70 percent of the callers are inquiring about the status of their application or background check status. This data indicates CPMB call volume October 2021 through March 2022:

- Total calls received 31,794
- Total calls handled 21,159
- Average wait time 44 minutes
- Average 2,116 calls handled per person over 6-month period
- Average 353 calls handled per person, per month

**Resource Request.** According to CDSS, the long-term solution is to replace the background check system. Replacing the Guardian system will allow CDSS to make system modifications and enhancements more efficiently and alleviate pain points in the system.

CDSS requests \$600,000 in limited term funding over two years for the following activities through contracted services:

- Begin the Project Approval Lifecycle (PAL) planning activities for Stage 2 such as gathering mid-level requirements, identifying baseline business processes, systems, and architecture, market research, and alternative analysis.
- Develop a roadmap for PAL Stage 3 and Stage 4 based on Stage 2 alternative analysis.
- Develop a budgetary analysis for additional planning, procurement, project implementation, and support activities.

While CDSS identifies a replacement system, the Department plans to continue using the existing Guardian system with a request of \$300,000 in limited term funding over three years.

This proposal does not include the funding for a replacement system; rather it includes funding for the planning and research necessary to initiate the procurement of a replacement system through Stage 2 of the PAL process. CDSS plans to submit a budget change proposal to develop the new system when the PAL process is complete.

Within six to nine months of approval, CDSS plans to start the request for proposal process for service contracts. With six to nine months of procuring consulting services, CDSS would complete the Stage 2 Alternative Analysis of the PAL process. The California Health and Human Services Agency Portfolio Manager and PAL Manager from Department of Technology will provide project oversight in the development of PAL document and procurement of contract services for planning activities.

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**Staff Recommendation:** This issue will be held open.

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**ISSUE 8. OVERSIGHT ISSUE AND GOVERNOR'S PROPOSALS – COMMUNITY CARE EXPANSION (CCE) AND HOME SAFE IMPLEMENTATION UPDATES, INCLUDING HOME SAFE PROGRAM TECHNICAL CLEAN-UP TBL**

The questions for the panelists for this issue are:

- Please provide an overview of the Community Care Expansion and Home Safe programs. How are these programs serving older adults who are homeless or at risk of becoming homeless? What is the impact of these investments and what are the preliminary outcomes?
- Please describe the Capital Expansion and Preservation aspects of the CCE program. How is the CCE program preventing closures of licensed residential care facilities and expanding the licensed capacity for facilities serving individuals on SSI?
- Please describe state and local challenges implementing these programs and how funds designated for technical assistance are supporting counties and grantees.

**PANELISTS**

1. Hanna Azemati, Housing and Homelessness Division Deputy Director, California Department of Social Services
2. Ginni Bella, Deputy Legislative Analyst, Legislative Analyst's Office
3. Emily Marshall, Finance Budget Analyst, Department of Finance

**IMPLEMENTATION OVERSIGHT**

While there are a variety of state and local programs that serve the broader homeless population, this issue is focused on the following CDSS Housing and Homeless Division programs: Community Care Expansion (CCE) and Home Safe.

**Community Care Expansion (CCE).** The CCE program funds the acquisition, construction, and rehabilitation of adult and senior care facilities that serve applicants and recipients of Supplemental Security Income (SSI) or Cash Assistance Program for Immigrants (CAPI), including individuals who are at risk of or experiencing homelessness. Funds are also available to preserve residential care settings, including through operating subsidies for existing licensed adult and senior care facilities currently serving SSI or CAPI recipients.

CCE is part of a statewide investment in infrastructure funding to address homelessness, support healthcare delivery reform, and strengthen the social safety net. The California Health and Human Services Agency has bundled the CCE program with another program, the Behavioral Health Continuum Infrastructure Program (BHCIP). This issue will only discuss CCE.

The 2021 Budget Act provided a total of \$805 million general fund over three years for the CCE program. \$55 million of that total is set aside to provide operating funds to existing licensed Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly (RCFEs). \$450 million of the program funding is from the federal American Rescue Plan Act (ARPA) and the Coronavirus Fiscal Recovery Fund. These federal funds must be obligated by June 2024 and liquidated by December 2026. The 2022 Budget Act included an additional \$55 million in one-time funding for operating subsidies for licensed facilities.

To date, CCE has funded 32 projects in 16 counties, with 1,172 proposed beds/units totaling \$207 million. The CCE has two primary components:

**CCE Capital Expansion Program.** CCE Capital Expansion funds the acquisition, construction, and rehabilitation of residential care settings. Grantees may be approved to use a portion of these funds to establish a capitalized operating subsidy reserve (COSR) for these projects, available for use for up to five years. Under the CCE Capital Expansion Program. \$570 million is available for the acquisition, rehabilitation, and construction of adult and senior care facilities serving SSI/SSP and CAPI applicants and recipients. To date, \$206.5 million of the \$570 million available funds have been awarded to grantees. Applicants for CCE Capital Expansion are accepted on a rolling basis until funds are exhausted. The joint application was published in collaboration with Department of Healthcare Services Behavioral Health Continuum Infrastructure Program (BHCIP) Round 3 Funding.

**CCE Preservation Program.** CCE Preservation is intended to immediately preserve and prevent the closure of existing licensed residential adult and senior care facilities, including Residential Care Facilities for the Elderly (RCFEs), Adult Residential Facilities (ARFs), or Residential Facilities for the Chronically Ill. This includes funds for capital projects and funds for operating subsidies.

On June 10, 2022, CDSS announced a statewide total of \$197 million in noncompetitive allocations to 35 participating counties with currently licensed facilities serving qualified residents. Of this funding, \$110 million has been appropriated for operating subsidy payments (OSP) to cover potential or projected operating deficits in existing residential adult and senior care facilities so they can avoid closure, and \$142.5 million has been appropriated for capital projects that allow facilities to make essential physical repairs or necessary upgrades to avoid closure or make the facility compliant with licensing standards.

An additional funding announcement was issued on December 14, 2022 for the additional \$55 million available in operating subsidy payments passed in the 2022 appropriation. The purpose of this funding is to bridge the gap in operational costs for licensed facilities serving SSI/SSP and CAPI recipients. This \$55 million in operating subsidy funds will be awarded in the coming months. CDSS is currently working with counties to design and launch the local programs. Counties recently submitted CCE Preservation Implementation Plans detailing their intended program design, plans for facility outreach and prioritization, estimated length of time operating subsidies will be made available, and how funds will be monitored. CDSS is in the process of reviewing plans and will continue to support counties in implementing their local

programs. CDSS anticipates that local programs will be operational in late spring or early summer 2023.

One of the key goals of the CCE is to promote the sustainability of existing licensed residential adult and senior care facilities that serve clients receiving SSI/SSP. Licensing data shows that between 2019 and 2022, residential care facilities that house clients receiving SSI/SSP have experienced a roughly five percent decrease in total capacity. Specifically, Residential Care Facilities for the Elderly (RCFEs) housing clients receiving SSI/SSP experienced an approximately eight percent decrease in capacity.

CDSS partners with Advocates for Human Potential, Inc. (AHP), a consulting and research firm focused on improving health and human services systems, to implement CCE and to provide technical assistance. This technical assistance includes consultation with applicants and grantees, on-site visits, specialized assistance on topics such as permit and licensing requirements, construction plans, oversight and management, braiding of funds, workforce development strategies, racial equity, serving diverse and complex individuals, and leveraging Medicaid and other funding sources.

**Home Safe Program.** The Home Safe program supports the safety and housing stability of people involved in Adult Protective Services (APS), or those in the process of APS intake. APS was discussed in further depth under Issue 1 of this agenda.

The program provides a range of housing interventions including housing-related intensive case management, housing-related financial assistance, deep cleaning to maintain safe housing, mobility modifications, eviction prevention, and landlord mediation. All counties participate in the program. As of June 2022, over 4,300 people have received assistance through the program. More than 1,900 “instances of housing financial assistance” (such as rent payments or deposits) have been provided, and over 1,200 individuals were connected to the local coordinated entry system. According to an interim report by University of California San Francisco, housing was retained for 85 percent of Home Safe participants for whom data was available 6 months post-program exit.

Home Safe received one-time investments of \$92.5 million in both the Budget Act of 2021 and the Budget Act of 2022 to expand the program over multiple years. In 2021-22, Home Safe enrolled 2,387 new individuals, for a total of 3,001 total individuals served. Over 635 “instances of housing assistance” were provided in 2021-22, which could include new permanent housing or retention of existing housing. This is likely an undercount, as it reflects program participants at all stages of enrollment, including those who have not yet received the full array of services and housing interventions. In addition, approximately 100 instances of housing relocation services were provided to program participants in 2021-22 for those individuals who needed to relocate to achieve stable housing.

**RELATED TBL PROPOSAL FOR HOME SAFE**

Trailer bill language pertaining to Home Safe was proposed in the Governor's Budget and makes the following technical statutory clean-up to Home Safe program statute:

- Clarifies tribal eligibility language in tribal Home Safe programs;
- Clarifies the definitions of "elder" and "dependent adult" to align the terms "elder" with the definition used in the Adult Protective Services (APS) program and any definition used in a tribal program for similar programs for adults experiencing abuse or neglect; and
- Extends the sunset date for the grantee-match exemption for one-time funds from June 30, 2024 to June 30, 2025.

Existing Home Safe statute allows the CDSS to award funds to tribal entities. However, under current statute, individuals are only eligible for Home Safe if they are an APS client, in the process of intake to APS, or if they are an individual who may be served through a tribal social services agency who appears to be eligible for APS. As Tribes do not administer APS and instead have unique, locally responsive elder adult services programs and systems, the requirement to serve only those who would otherwise be eligible for APS does not meet identified tribal service needs for Home Safe.

The Home Safe statute currently does not define "elder" or "dependent adult," rather depends upon the definition of "Adult protective services" found in the Elder Abuse and Dependent Adult Civil Protection Act, which contains and defines "elder" as a person 65 years of age or older. This does not reflect the current definition enacted by AB 135 (Committee on Budget, Chapter 85, Statutes of 2021), which lowered the age limit from 65 years of age to 60 years of age under the APS statutes, which are not found within the Elder Abuse and Dependent Adult Civil Protection Act. Additionally, there has been concern in the tribal community regarding the use of the term "elder" in Home Safe and APS, as that term has a separate meaning in the tribal context ("tribal elders") that is not always based on age.

The 2021 Budget Act included \$92.5 million one-time General Fund available over three fiscal years for Home Safe and included language to waive the requirement for a grantee to match funds between July 1, 2021 through June 30, 2024. The 2022 Budget Act included another \$92.5 million General Fund one-time available over three fiscal years with the intent to waive the grantee-match requirement through June 30, 2025.

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**Staff Recommendation:** All issues here will be held open.

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**ISSUE 9. GOVERNOR’S PROPOSAL – HOUSING INVESTMENT POWER AND DUTIES TECHNICAL CHANGES TBL****The questions for the panelists for this issue are:**

- Can CDSS clarify whether the proposal here is to continue the authority for the existing \$10.5 million or to authorize an additional \$10.5 million (for a total of \$21 million)?
- Can CDSS provide an update, and in writing to the Subcommittee, on the status of the technical assistance and evaluation contracts? How are both of those efforts going?

**PANELISTS**

1. Hanna Azemati, Housing and Homelessness Division Deputy Director, California Department of Social Services
2. Ginni Bella, Deputy Legislative Analyst, Legislative Analyst's Office
3. Emily Marshall, Finance Budget Analyst, Department of Finance

**TBL PROPOSAL**

This trailer bill language that is made as part of the Governor’s Budget makes the following technical statutory changes:

- Clarifies the CDSS is authorized to expend no more than \$10.5 million General Fund of the total amount of funds included in the 2022 Budget Act for housing and homeless programs data collection, data tracking, and technical assistance.
- Authorizes CDSS to modify or waive at its discretion any CDSS housing or homelessness program requirements that conflict with tribal law or custom, in line with equity-focused best practices established within the California Department of Housing and Community Development (HCD).
- Authorizes CDSS to implement program guidance through the All-County Letter process.

CDSS states that counties and tribes received increased funding from both the 2021 Budget Act and 2022 Budget Act to implement new programs and scale existing CDSS housing and homelessness programs, increasing total funding from around \$160 million to over \$1.2 billion and increasing the overall number of grantees by 53 percent. The data, evaluation, and technical assistance needs of CDSS’ programs during this critical juncture are significant, multi-year efforts that require contracting with subject matter experts. Current statute provides flexibility to support CDSS Housing and Homelessness Division’s programs with data, evaluation, and technical assistance efforts, but only for the first half of the expansion funds from the Budget Act of 2021.

**Technical Changes.** The proposed trailer bill language would make the following changes:

Extend flexibility in housing and homelessness program funding for data collection and technical assistance. This technical change clarifies CDSS is authorized to utilize \$10.5 million funding included in the 2022 Budget Act for CDSS housing and homelessness programs data collection, data tracking, and technical assistance to grantees.

Improve implementation for Tribes. CDSS has set aside \$17.5 million for Tribes in both 2021-22 and 2022-23 without modification or a waiver process. However, many Tribes may not be able to effectively implement these funding opportunities due to barriers posed by program rules that do not align with tribal law and program structure, jeopardizing equitable access to housing supports throughout the state. The proposed waiver process is similar to that used within HCD following the passage of AB 1010 (Garcia, Chapter 660, Statutes of 2019).

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**Staff Recommendation:** This proposal will be held open.

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**4170 CALIFORNIA DEPARTMENT OF AGING (CDA)****ISSUE 10. GOVERNOR'S PROPOSAL – MPA PHASE III INFRASTRUCTURE AND CAPACITY BCP****The questions for the panelists for this issue are:**

- How will this BCP further the realization of the MPA Five Bold Goals?
- How will this effort help to identify demographic populations and geographic areas of continuing and new needs for vulnerable aging and older Californians?
- How will this effort manifest outcomes for disparity-reduction and equity-realization specifically?

**PANELISTS**

1. Mark Beckley, Chief Deputy Director, California Department of Aging
2. Ginni Bella, Deputy Legislative Analyst, Legislative Analyst's Office
3. Hersh Gupta, Finance Budget Analyst, Department of Finance

**BUDGET PROPOSAL**

CDA requests 10 positions and a General Fund augmentation of \$1.758 million in 2023-24 and \$1.728 million ongoing to support continued implementation of the Master Plan for Aging, with dedicated resources for data and information technology (IT) capacity, security, project management, and IT procurement and contracting expertise.

**Background.** In June 2019, Governor Gavin Newsom issued an Executive Order calling for the creation of a Master Plan for Aging (MPA). The Executive Order affirmed the priority of the health and well-being of older Californians and the need for policies that promote aging with dignity and independence. It also called for a “blueprint” for state government, local government, the private sector, and philanthropy to prepare for the coming demographic changes, which translates to one out of four individuals over the age of 60 by 2030. This proposal requests resources to advance implementation of the MPA by building CDA's data/information technology capacity and enterprise project management capabilities.

**Staffing and Resource Request.** Since the MPA's launch in January 2021, CDA has undertaken 26 substantial new initiatives through the 2021-22 and 2022-23 enacted budgets. While CDA has a project-specific resource, the department does not have adequate resources to build a data/IT and project management infrastructure to advance the various initiatives with a data-driven framework for policy and program development. CDA also lacks IT contracting and procurement expertise, which compromises the department's ability to adhere to California



Department of Technology (CDT) and Department of General Services (DGS) procurement rules and has delayed mission critical IT procurement and contract work.

CDA requests additional information security positions to ensure the protection and privacy of data the department acquires to better understand the needs of California older adults and persons with disabilities. IT project management resources are critical to supporting MPA initiatives with IT components such as a statewide customer data portal, contact center, learning management system, data dashboards. The requested resources will provide the baseline technical resources needed to support the most efficient and effective implementation of MPA initiatives using a consistent framework, process, and enterprise approach across all IT initiatives, as described below:

- IT Project Management and Portfolio Oversight (1.0 Information Technology Manager I [ITM I], 1.0 Information Technology Specialist II [ITS II]): CDA is increasingly at project risk due to insufficient IT planning and project resources, limiting the department's ability to implement MPA IT initiatives. Without dedicated IT project managers, current technical staff continue to juggle project management functions between developers, database administrators and other technical staff. To this end, CDA requests 2.0 IT Project Management positions to establish a project management function within CDA and support the growing number of CDA and MPA IT initiatives. The new resources will build organizational maturity related to consistent IT project processes, reporting, risk/issue management, planning, and state compliance.
- IT Security (1.0 ITM I, 1.0 ITS II, 1.0 ITS I): CDA's current information security is comprised of one position serving as the Information Security Officer at the ITS I level. With only one full time position, CDA does not have the resource capacity, nor the expertise to adequately meet state requirements and secure, monitor, and protect information assets. In 2021, Governor Newsom released the Cal-Secure multi-year cybersecurity roadmap that outlines cybersecurity requirements for all state entities. To meet the priorities and key initiatives outlined in Cal-Secure, CDA requests additional staff to develop a security program comparable to similarly sized state entities within the California Health and Human Services Agency (CalHHS). CDA requests 1.0 ITM I to support a Chief Information Security Officer, 1.0 ITS II to serve as the Senior Security Specialist, and 1.0 ITS to serve as a Security Specialist focused on operations.
- IT Operations and Support (1.0 ITS II, 1.0 ITS I): CDA IT staffing has remained static while the number of CDA staff doubled over the last several years. This growth increased the demand for IT services related to hardware, software, equipment, and end user issues. IT service requests increased from 2,500 (annual) in 2018 to an anticipated request volume over 4,000 in 2022. To keep pace with the service request volume and the growing complexities of CDA's technical environment, senior technical engineers assist with IT service support staff with Level 1 (basic) requests to compensate for lack of staffing. The requested positions will eliminate single points of failure and allow CDA to appropriately distribute, assign, and manage IT functions and responsibilities.

- IT Procurement and Contracting (3.0 Associate Governmental Program Analysts [AGPA]). CDA requests 3 AGPAs to oversee and administer all IT Procurement and Contracting responsibilities. With trained IT procurement analysts, CDA will comply with CDT and DGS procurement rules, and advance implementation of critical IT projects. As CDA continues to modernize its operations and implement the MPA, IT procurement expertise will be an ongoing need.

**MPA Projects.** Several MPA initiatives are dependent on IT capacity and capabilities in the areas of Project Management, database administration, information security, and systems administration. The requested staff would provide IT support to the following MPA projects:

- The Learning Management System (LMS): This centralized training system will support training curriculums, services and tools, and a training database to improve the availability and consistency in training resources for network leaders, program providers, program volunteers, and state staff.
- The Customer Holistic Aging Relationship and Management (CHARM) solution will migrate five standalone AAA client relationship management (CRM) platforms into on single, enterprise solution that will enable CDA to get a holistic view of services provided to older adults, people with disabilities and family caregivers, enabling access to real-time data for further program research.
- The Consumer-Facing Web Portal and Contact Center project seeks to provide a single, statewide website and automated referral system for long-term services and supports. This effort is critical to helping California's older adults, people with disabilities, and family caregivers with accessing the information and support needed to make informed, timely decisions about their care.

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**Staff Recommendation:** The Subcommittee could consider requesting that specific budget bill language be shared by the CDA to capture how implementation of this BCP will further Equity goals, which could be considered for action as part of this request. The BCP will be held open.

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**ISSUE 11. GOVERNOR'S PROPOSAL – HEALTH INSURANCE COUNSELING AND ADVOCACY PROGRAM (HICAP) MODERNIZATION BCP****The questions for the panelists for this issue are:**

- What are the specific and tangible outcome goals for HICAP if this BCP is approved, as compared to current service levels?
- Why is this extension being requested for only one year?
- Are there geographic areas that have very limited HICAP availability of service? Which areas/counties?

**PANELISTS**

1. Nicole Shimosaka, Deputy Director of Administrative Services, California Department of Aging
2. Ginni Bella, Deputy Legislative Analyst, Legislative Analyst's Office
3. Hersh Gupta, Finance Budget Analyst, Department of Finance

**BUDGET PROPOSAL**

The CDA requests a one-time authority increase of \$1.819 million from the Health Insurance Counseling and Advocacy Program (HICAP) Special Fund to continue to support HICAP modernization efforts, including increased funding for local HICAPs.

**Background.** HICAP is California's implementation of the federal State Health Insurance Assistance Program (SHIP). HICAP offers consumer-oriented Medicare counseling and education services including: (1) community education regarding Medicare Parts A and B, Medicare Part D Prescription Drug Plans, Medicare Advantage (MA) Plans, Medicare Supplement Insurance and long-term care insurance; (2) individual health insurance counseling that provides objective and accurate comparisons of choices; (3) informal advocacy services regarding enrollment, disenrollment, claims, appeals, prescription drug exceptions and other urgent Part D Plan coverage issues; and, (4) legal referral and, in some geographic areas, legal assistance for filing grievances and appeals. Eligibility for HICAP services is limited to Medicare beneficiaries and persons imminent of Medicare eligibility.

CDA became California's administrator of the SHIP in 1992. The Mello-Granlund Older Californians Act (Chapter 1097, Statutes of 1996) required HICAP management and operation responsibilities to be contracted through local Area Agencies on Aging (AAAs). HICAP services are available statewide through 26 AAAs. For the AAAs that do not administer a HICAP program, a neighboring AAA provides services for residents in that service area.

Prior to 2021-22, 58 percent of HICAP service providers reported insufficient staffing necessary to manage existing workload and modernization. In addition, 73 percent of HICAP service providers reported insufficient funding to procure needed equipment and supplies. Several of the HICAPs had only part-time volunteer coordinators and no dedicated staff.

In 2021-22, CDA received approval for limited-term HICAP flexibilities and increased authority. This included two-year limited term resources from the HICAP Special Fund for the equivalent of 3 CDA positions and \$1.4 million to increase minimum local provider staffing requirements for paid volunteer coordinators from 0.5 FTEs to 1.0 FTEs (per provider). The intent of this limited-term augmentation was to implement HICAP's modernization efforts in line with the Master Plan for Aging's Health Care Reimagined goal, which intends to help older adults access services that they need to live at home, improve health, and increase quality of life. In addition, the 2021-22 resources provided support to CDA for a health care consultant to provide an independent review and develop recommendations to advance HICAP Modernization efforts. In 2022-23, this effort grew to include the development of an overarching strategic roadmap that outlines goals and objectives to guide HICAP Modernization. This request seeks to continue these investments.

<b>Workload Measure</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
Clients Served (Clients Counseled from Finalized Intakes)	66,198	60,940	64,470	63,254	50,925	TBD
Active HICAP Counselors (Volunteers and Paid)	799	770	747	677	604	TBD
Average Clients Served per counselor	83	79	86	93	84	TBD
Community Education Events (Interactive Presentations)	3,686	3,612	3,479	2,475	1,374	TBD
Estimated CDA Completed HICAP Monitoring Visits	7	6	7	6	7	6
Estimated CDA Sponsored Technical Assistance/Training Event Hours	78	69	92	62	64	67

CDA's implementation of the 2021 Budget Act funding included an independent review of HICAP and the development of recommendations for HICAP modernization efforts. The recommendations include developing a strategic roadmap for HICAP, developing a HICAP technical assistance center for more robust training opportunities, and redesigning the HICAP website, among others.

**Resource History**  
(Dollars in thousands)

Program Budget	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Authorized Expenditures	\$2,495	\$2,501	\$2,506	\$2,502	\$4,600	\$4,566
Actual Expenditures	\$2,478	\$2,501	\$2,503	\$2,502	TBD	TBD
Revenues	\$3,976	\$4,168	\$4,349	\$4,142	\$4,142	\$4,142
Authorized Positions	2.0	2.0	2.0	2.0	4.0	4.0
Filled Positions	2.0	2.0	2.0	2.0	TBD	TBD
Vacancies	0.0	0.0	0.0	0.0	TBD	TBD

**Staffing and Resource Request.** CDA requests one-time, limited-term resources from the HICAP Special Fund for 1 Research Data Specialist II (RDS II) and 2 Associate Governmental Program Analysts (AGPAs) to continue planning, implementation, and maintenance of CDA's strategic plan to modernize HICAP. This is a temporary, one-year extension of the positions authorized in the 2021 Budget Act. This proposal includes the following state operations resources and local assistance resources:

**State Operations Resources.** One RDS II will oversee, review, update, and provide recommendations for HICAP data collection and reporting. One AGPA will serve as a fiscal analyst to review, monitor, and support local HICAP programs. One AGPA will serve as project lead for the development of new training resources and expand technical assistance.

**Local Assistance Resources.** For 2021-22 and 2022-23, CDA requested increased local assistance resources of \$1,386,000 to allow each local HICAP program to retain one full-time equivalent staff position to support recruiting and training volunteer counselors to serve the increasing number of Medicare beneficiaries. This proposal would extend those positions for one year. CDA projects that with the continuation of these increased state and local assistance resources, the department will be able to implement HICAP modernization efforts to serve more older Californians that have or will soon be eligible for Medicare. Below is a display of the projected outcomes of this funding.

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**Staff Recommendation:** The BCP will be held open.

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## NON-PRESENTATION ITEMS

There are no panels for non-presentation items, however any item can be moved to Presentation at any time before or during the hearing by any Member.

### 5180 CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

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#### ISSUE 12. GOVERNOR'S PROPOSAL – IHSS WAGE SUPPLEMENT TBL

##### BUDGET PROPOSAL

This trailer bill language would clarify the application of wage supplements created as a part of In-Home Supportive Services (IHSS) Memorandum of Understandings (MOUs) between counties and IHSS provider unions.

**Background.** The In-Home Supportive Services (IHSS) program provides personal care services to approximately 615,607 qualified low-income individuals who are blind, over 65, or who have disabilities.

SB 90 (Committee on Budget and Fiscal Review, Chapter 25, Statutes of 2017) was intended to: (1) require a wage supplement be added to the highest wage a county pays at the time the supplement is created; and, (2) allow the wage supplement to be added to any increase in minimum wage. When this statute was chaptered, Santa Cruz County reduced its original wage prior to creating its wage supplement. This resulted in the state having to cover a higher portion of the wage supplement with General Fund.

AB 110 (Committee on Budget, Chapter 8, Statutes of 2018) was passed to ensure the county did not benefit financially from minimum wage increases compared to other counties. For counties with a negotiated wage supplement prior to January 2018, AB 110 required that the wage supplement be applied to a minimum wage increase only when the minimum wage is equal to or exceeds the county individual provider wage plus the wage supplement. The purpose of AB 110 was to prevent a county from reducing its provider wages then creating a wage supplement that back fills the wage reduction.

**Technical Change.** Upon further analysis, CDSS has determined AB 110 will unintentionally impact Trinity and Shasta counties by not allowing their IHSS provider wage supplement to be added to the minimum wage. Specifically, if the minimum wage increases by an amount less than \$0.50 after the state minimum wage reaches \$15.50 per hour on January 1, 2023, then Trinity and Shasta IHSS providers would not be able to receive a wage supplement in that given year. The current statute also restricts minimum wage increases in Santa Cruz.

This trailer bill language will amend statute to no longer negatively impact Trinity and Shasta counties, and will allow Santa Cruz providers to receive minimum wage increases as they are applied.

CDSS anticipates that by removing this section this proposal will have an approximate total fiscal impact of \$4.1 million General Fund over the course of 2023-24 through 2026-27.

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**Staff Recommendation:** This proposal will be held open.

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**ISSUE 13. GOVERNOR'S PROPOSAL – PREVENTING TRANSFER TRAUMA DURING FACILITY CLOSURE  
BCP****BUDGET PROPOSAL**

CDSS requests \$5.1 million in ongoing funding and permanent authority for one position to support temporary manager contracts. The request is critical to take quick and effective action to protect the health and safety of residents of Residential Care Facilities for the Elderly (RCFE) and Adult Residential Facilities (ARF) and minimize the effects of transfer trauma that accompanies the abrupt transfer of residents. These resources are also necessary to implement the statutory requirement to provide a 60-day eviction notice to residents should there be a need to relocate residents. As a part of critical division restructuring, CDSS is also requesting permanent position authority for two (2.0) Career Executive Assignment (CEA B) positions for Assistant Deputy Directors (ADDs).

**Background.** CDSS is statutorily authorized to place a temporary manager in Adult and Senior Care Program (ASCP) residential facilities when it has been determined that it is necessary to temporarily suspend a license for the welfare and safety of the residents and exclude the licensee from presence in the facility pending the outcome of an administrative hearing. The services of a temporary manager are critical to operate the facility by ensuring adequate staffing, meeting resident and client needs, ensuring bills are paid, and communicating with advocates and representatives regarding a change of ownership or relocation options. In these cases, CDSS has the authority to contract with a temporary manager to bring the facility into compliance with the law, facilitate a transfer of ownership to a new licensee, or ensure the orderly transfer of residents should the facility be required to close. It is critical to have a temporary manager in place rather than immediately move elderly residents from their home to avoid transfer trauma and maintain the day-to-day operations of the facility. Additionally, a 60-day eviction notice is required pursuant to Health and Safety Code section 1569.682 (a)(2)(A) - (F).

During the first three years with the statutory authority, CDSS had a very limited need to utilize this authority and the costs and resources were absorbable. In the past two years, there has been an increased need to place a temporary manager, requiring significant staff time, and contract costs not currently budgeted. In the early stages of the pandemic, there was an increased number of providers who could not sustain business operations due to illness, death, and staffing issues. Temporary managers were needed to ensure that residents remained safely in their homes. The future need to place a temporary manager is calculated based on the average number of Temporary Suspension Orders (TSO) that were served in the last five years. Some TSOs result in a temporary manager placement.

Upon entering into a temporary manager contract initiated as a result of a TSO, the expected length of the temporary manager's contract is a minimum of 60 days to stabilize the operations for a newly approved licensee or to successfully transfer the residents or clients. The estimated cost for a temporary manager over a 60-day period is approximately \$710,000, based on the highest contract amount in the current year.



**Staffing and Resource Request.** CDSS requests one Association Governmental Program Analyst (AGPA) dedicated to processing the temporary manager contract requests. The AGPA will be responsible for maintaining and updating the temporary manager list; negotiating contract terms; preparing contract documents for the purpose of entering into emergency contracts; monitoring expenditures and maintaining policies and procedures in collaboration with legal, contracts, and budgets. In addition, the AGPA will send out e-mail alerts to potential temporary managers; notify the regional offices of the responses received; coordinate the initial calls between the Regional Managers and the potential temporary manager; ensure that the Regional Offices and temporary manager understand and adhere to the terms of the contract; and work with the Regional Offices to verify the temporary manager's expenditures for the work completed. The AGPA will also be the primary contact with temporary manager for contract and payment concerns.

An average of seven TSOs have been served annually over the past five years. Assuming a TSO will result in a TM placement, CCLD projects that it will utilize the services of seven temporary managers each year at an annual cost of \$4.9 million.

CDSS is also undergoing critical restructuring in the CCLD and requests positional authority for two additional ADDs (CEA B), for the following functions of the division: Residential Programs and Child Care Program. Over time, CCLD has experienced not only an increase in oversight authority, but an increase in complexity and demand to respond to disasters, legislative mandates, and the pandemic that has stretched the capacity of its current organizational structure. Additionally, new projects have been assigned to CCLD in recent years, including the transition of CDE Early Childhood Programs to CDSS, with their associated licensing workload, and the need for migration to new data systems to effectively manage data tracking and reporting requirements. With a division of 1,560 employees, CDSS has determined that the span of control for the existing Deputy Director and one ADD is not sustainable. The current ADD oversees operations for the CCLD, which includes information technology, investigations, administrative duties, centralized complaint bureau, caregiver background check, training, and data management. This proposal requests positional authority, but not funding authority, for these new ADD positions, which were added because of the need for executive leadership within CCLD to effectively support licensing programs. They are currently being funded with salary savings.

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**Staff Recommendation:** This proposal will be held open.

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**ISSUE 14. GOVERNOR'S PROPOSAL – VETERANS FOSTER HOME SUPPORT (AB 2119) BCP****BUDGET PROPOSAL**

CDSS requests \$1.3 million in ongoing funding and 8.0 permanent positions to implement the requirements of AB 2119, which requires medical foster homes authorized by the United States Department of Veterans Affairs (USDVA) to be licensed as medical foster homes for veterans by the Community Care Licensing Division (CCLD). CCLD requests 3.0 Licensing Program Analysts (LPA), 1.0 Associate Governmental Program Analyst (AGPA), 1.0 Nurse Evaluator II (NE II), and 1.0 Research Data Analyst II (RDA II); Legal Division requests 1.0 Attorney III in the CCL Legal Policy Branch; Information Services Division (ISD) requests 1.0 Information Technology Specialist II.

**Background.** AB 2119 authorizes the California Department of Social Services (CDSS) to establish a program, no sooner than July 1, 2024, to issue licenses to medical foster homes (MFH) for veterans. This USDVA program allows eligible veterans with disabilities to receive health care from the USDVA while living in the home of a caregiver as an alternative to an institutionalized setting.

AB 2119 created a new licensing category that requires CDSS to review applications within a specified timeframe, conduct pre-licensing visits after licensure, conduct inspections annually, provide orientations and technical support, and investigate complaints and other issues as they arise. Under this new licensing category, MFHs approved by the USDVA will be authorized to operate in California subject to licensure, inspection, training, and other oversight activities by CDSS. CDSS is required to implement and administer the program through written directives until regulations are adopted. In addition, this new mandate requires CDSS to make adjustments to its current billing system to process the \$88 licensing application fee paid by the MFH applicant.

**Staffing and Resource Request.** CDSS requests the following positions to implement AB 2119:

- Community Care and Licensing Division (CCLD). CDSS requests three (3.0) Licensing Program Analysts (LPA) who will be responsible for licensing and monitoring Veteran MFHs in each of the four regional operational areas in California, which are aligned with the eight existing USDVA Medical Centers. The LPAs will ensure adequate and consistent coverage in each region. The LPAs' responsibilities will include annual inspections; pre-licensing inspections; complaint investigations; follow-up visits related to any cited violations; and caseload management visits. CDSS estimates the LPAs will manage a caseload of 150 veteran homes. The LPAs will also perform other caseload management and administrative duties. Additionally, CCLD requests 1.0 Nurse Evaluator II (NE II) to provide clinical consultation and evaluation of any medical-related issues related to the residents in MFHs.

In order to support the development of regulations and directives, data collection, and the development of new licensing forms, CDSS requests 1.0 Associate Governmental Program Analyst (AGPA) to develop and promulgate regulations and 1.0 Research Data Analyst II to develop specific quality assurance metrics and perform systems review.

- Information Services Division (ISD). The CDSS ISD requests 1.0 Information Technology Specialist II position to serve as Senior Project Manager to support IT project planning and management through the state Project approval lifecycle (PAL) process. The Senior Manager will be the single point of contact for PAL approvals and procurement activities to enhance Licensing Information System (LIS) and Facility Management System (FAS) to create a new licensing category for MFHs. During IT project execution phase, the Senior Project Manager will coordinate CDSS in-house IT staff resources and contractor resources for the timely delivery of the IT solution.
- Legal. The Children's and Community Care Licensing Policy and Litigation Branch is requesting permanent funding and position authority for one (1.0) Attorney III in the CCL Residential Programs Unit. The Attorney III will provide initial and ongoing legal support to the CCLD Adult and Senior Care (ASC) Programs staff for the implementation and oversight of the Veterans Medical Foster Homes Program as established by AB 2119. This creates a new CCLD licensing category that works in conjunction with the USDVA, who certifies that the veterans medical foster homes adhere to existing federal approval processes. As part of implementation, CCLD will need assistance in drafting and reviewing recommended statutory language; drafting and seeking Office of Administrative Law approval of applicable regulations; and drafting Provider Information Notices, Evaluator Manual updates, forms, and training materials. Legal staff, in coordination with CCLD, will meet with USDVA and other stakeholders to evaluate regulatory changes necessary to implement and provide continued oversight of the proposed category of licensed homes.

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**Staff Recommendation:** This proposal will be held open.

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**PUBLIC COMMENT  
(PUBLIC COMMENT WILL BE TAKEN ON ALL ITEMS)**

This agenda and other publications are available on the Assembly Budget Committee's website at: <https://abgt.assembly.ca.gov/sub1hearingagendas>. You may contact the Committee at (916) 319-2099. This agenda was prepared by Nicole Vazquez.