

## AGENDA

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

ASSEMBLYMEMBER DR. JOAQUIN ARAMBULA, CHAIR

WEDNESDAY, APRIL 26, 2017  
2:30 P.M. - STATE CAPITOL, ROOM 444

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\* The Assembly has arranged for sign language interpreter services for this portion of the agenda.

**LIST OF PANELISTS IN ORDER OF PRESENTATION****5180 DEPARTMENT OF SOCIAL SERVICES**

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**ISSUE 1: DEAF ACCESS PROGRAM ADVOCACY REQUEST**

- Richie Ross, California Coalition of Agencies Serving Deaf and Hard of Hearing Persons, Inc.
- Pete Cervinka, Chief Deputy Director, Department of Social Services
- Iliana Ramos, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

**0530 HEALTH AND HUMAN SERVICES AGENCY, OFFICE OF SYSTEMS INTEGRATION****5180 DEPARTMENT OF SOCIAL SERVICES**

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**ISSUE 2: OVERVIEW: OFFICE OF SYSTEMS INTEGRATION AND AUTOMATION PROJECTS**

- Peter Kelly, Chief Deputy Director, Office of Systems Integration
- Will Lightbourne, Director, Department of Social Services
- Tyler Woods, Department of Finance
- Lourdes Morales, Legislative Analyst's Office
- Public Comment

**ISSUE 3: OVERSIGHT ISSUE: CALSAWS INTEGRATION**

- Will Lightbourne, Director, Department of Social Services
- Kristine Dudley, Deputy Director, Office of Systems Integration
- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Tyler Woods, Department of Finance
- Lourdes Morales, Legislative Analyst's Office
- Public Comment

**ISSUE 4: BUDGET CHANGE PROPOSAL (BCP) #7: HORIZONTAL INTEGRATION OFFICE: TRANSFER TO THE OFFICE OF SYSTEMS INTEGRATION**

- Adam Dondro, Assistant Director of Horizontal Integration
- Peter Kelly, Chief Deputy Director, Office of Systems Integration
- Tyler Woods, Department of Finance
- Lourdes Morales, Legislative Analyst's Office

- Public Comment

**ISSUE 5: BCP #12: CHILD WELFARE DIGITAL SERVICES (CWDS) ADJUSTMENT**

- Peter Kelly, Chief Deputy Director, Office of Systems Integration
- Kevin Gaines, Branch Chief, Department of Social Services
- Brandon Hansard, Branch Chief, Information Technology Project Oversight, Department of Technology
- Tyler Woods, Department of Finance
- Lourdes Morales, Legislative Analyst's Office
- Public Comment

**ISSUE 6: BCP #1: CASE MANAGEMENT, INFORMATION, AND PAYROLLING SYSTEM II (CMIPS II) – VENDOR CONTRACT TRANSITIONAL ACTIVITIES**

- Cynthia Tocher, Deputy Director, Office of Systems Integration
- Will Lightbourne, Director, Department of Social Services
- Iliana Ramos, Department of Finance
- Lourdes Morales, Legislative Analyst's Office
- Public Comment

**ISSUE 7: BCP #8: CMIPS II – IMPLEMENTATION OF SICK LEAVE FOR IN-HOME SUPPORTIVE SERVICES (IHSS) PROVIDERS**

- Cynthia Tocher, Deputy Director, Office of Systems Integration
- Will Lightbourne, Director, Department of Social Services
- Iliana Ramos, Department of Finance
- Lourdes Morales, Legislative Analyst's Office
- Public Comment

**0530 HEALTH AND HUMAN SERVICES AGENCY, OFFICE OF LAW ENFORCEMENT SUPPORT****ISSUE 8: PROGRAM AND BUDGET REVIEW AND BCP #10: REQUEST FOR INFORMATION TECHNOLOGY AND LEASED VEHICLE FUNDING**

- Ken Baird, Chief, Office of Law Enforcement Support
- Kristopher Kent, Assistant Secretary, Health and Human Services Agency
- Tyler Woods, Department of Finance
- Sonja Petek, Legislative Analyst's Office
- Public Comment

**4300 DEPARTMENT OF DEVELOPMENTAL SERVICES****ISSUE 9: DEVELOPMENTAL SERVICES ADVOCACY REQUEST: SYSTEM FUNDING**

- Assemblymember Devon Mathis
- Nancy Bargmann, Director, and John Doyle, Chief Deputy Director, Department of Developmental Services
- Kris Cook and Vanessa Garcia, Department of Finance
- Sonja Petek, Legislative Analyst's Office
- Public Comment

**ISSUE 10: DEVELOPMENTAL SERVICES ADVOCACY REQUEST: BEST BUDDIES**

- Jessica Brooks, Best Buddies California State Director
- Larry Larkin, Best Buddies California Job Participant/Silicon Valley Bank Mail Clerk
- Nancy Bargmann, Director, and John Doyle, Chief Deputy Director, Department of Developmental Services
- Kris Cook and Vanessa Garcia, Department of Finance
- Sonja Petek, Legislative Analyst's Office
- Public Comment

## ITEMS TO BE HEARD

### 5180 DEPARTMENT OF SOCIAL SERVICES

#### ISSUE 1: DEAF ACCESS PROGRAM ADVOCACY REQUEST

##### PANEL

- Richie Ross, California Coalition of Agencies Serving Deaf and Hard of Hearing Persons, Inc.
- Pete Cervinka, Chief Deputy Director, Department of Social Services
- Iliana Ramos, Department of Finance
- Jackie Barocio, Legislative Analyst's Office
- Public Comment

##### ADVOCACY REQUEST

The Subcommittee is in receipt of correspondence from Assemblymember Kevin Mullin as well as the California Coalition of Agencies Serving Deaf and Hard of Hearing (CCASDHH) requesting a \$3 million augmentation for the Deaf Access Program (DAP). DAP is run out of the Office of Special Services within the Adult Programs Divisions at the Department of Social Services (DSS). The current budget for the DAP is \$5.2 million (all General Fund). DAP contracts with eight regional service agencies to provide deaf access and supports for Californians who are deaf and hard of hearing.

Asm. Mullin and the CCASDHH state that the number of immigrants and refugees in California has risen dramatically with the most recent census showing that there are 341,033 (43%) deaf Californians who do not speak English. Of those, 92,079 (25%) live in what the Census Bureau calls "linguistically isolated households" where there is no one over the age of 14 who speaks English. The advocates state that providing access to services such as healthcare, education, and government services requires specialized resources such as tri-lingual interpreters or certified deaf interpreters teamed with American Sign Language interpreters to provide communication access to this linguistically isolated population.

The advocates state that while DAP began in 1980, by 1998 it's funding reached \$5.8 million. In each year since then, funding for the program has remained at approximately the \$5 million level. As a result, services once provided to 250,000 people are now provided to 158,000 at a cost of \$33.55 per person served. "Putting aside the increased cost of providing this more complex service, if the "linguistically isolated" population of deaf immigrant Californians were to receive service at the \$33.55 per client level, the [DAP] budget would be increased by \$3 million. However, if half of those 92,079 were to receive interpreter services in their own language the cost would be \$4.6 million to the DAP agencies.

**STAFF COMMENT AND QUESTIONS**

This request was received in such a way that did not allow the opportunity for a pre-hearing discussion with the DAP at DSS. Staff suggests that the Subcommittee consider the following questions to ask in the course of this hearing:

- For DAP/DSS and the CCASDHH, what is the level of need for interpreter services that the program is seeing and how do you measure that?
- What are the reflections on what a \$3 million on-going investment could do to ameliorate the need?
- How would/could the \$3 million be allocated through the eight service providing agencies? Using what criteria is the amount is intended to target “linguistically isolated” consumers?

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**Staff Recommendation:**

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Staff recommends holding this advocacy proposal open.

**0530 HEALTH AND HUMAN SERVICES AGENCY, OFFICE OF SYSTEMS INTEGRATION  
5180 DEPARTMENT OF SOCIAL SERVICES****ISSUE 2: OVERVIEW: OFFICE OF SYSTEMS INTEGRATION AND AUTOMATION PROJECTS****PANEL**

- Peter Kelly, Chief Deputy Director, Office of Systems Integration
- Will Lightbourne, Director, Department of Social Services
- Tyler Woods, Department of Finance
- Lourdes Morales, Legislative Analyst's Office
- Public Comment

**BACKGROUND**

**HHSA Budget.** The Governor's budget includes \$456.2 million for the Health and Human Services Agency (HHSA) in 2017-18, an increase of \$51.9 million or 12.8 percent from the current year. Over 95 percent of the funds in the Agency budget are associated with the Office of System Integration, which oversees information technology systems and projects that serve various departments within the agency.

**OSI Budget.** The Office of Systems Integration (OSI) was established within the California Health and Human Services Agency to manage a portfolio of large, complex health and human services information technology (IT) projects. OSI provides project management, oversight, procurement, and support services for these projects and coordinates communication, collaboration, and decision-making among project stakeholders and program sponsors. After the procurement phase, OSI oversees the design, development, governance, and implementation of IT systems which serve health and human services programs.

OSI currently oversees a number human services projects for the Department of Social Services (DSS), including:

**Case Management Information and Payrolling Systems (CMIPS II).** CMIPS II is an automated statewide system that performs case management and payroll functions for all IHSS providers and recipients. DSS contracts with OSI for project management and vendor contract oversight services to maintain and operate CMIPS II. After a statewide transition in 2013 from the legacy CMIPS system to a new system, CMIPS II, the project is currently in the maintenance and operations (M&O) phase. The CMIPS II Post Implementation Evaluation Report was approved by the California Department of Technology (CDT) on July 29, 2016. The existing prime vendor contract ends on March 31, 2018, and OSI is conducting a competitive procurement to award a new prime vendor contract for M&O.

**Child Welfare Services-New System (CWS-NS) Project: Child Welfare Digital Services (CWDS).** The CWS-NS provides an automated child welfare system with capabilities that include mobile and web-based technology to support the current and future business practice needs of the counties and the state. The new system will support child welfare programs, business processes and legislated improvements focused on protecting the safety of children and families. DSS, working collaboratively with OSI and the County Welfare Directors Association (CWDA), developed the CWS-NS Project to replace the current Child Welfare Services/Case Management System (CWS/CMS). The CWS-NS Project will use an Agile procurement and design/development approach, where a Request for Proposal (RFP) is broken into a set of smaller modules that can be delivered in a short period of time, and a separate vendor is selected for each module. This system is discussed in more detail under Issue 5 of this agenda.

**Child Welfare Services/Case Management System (CWS/CMS).** The CWS/CMS is a statewide tool that currently supports the Child Welfare System of services. The CWS/CMS provides information to service workers to improve case work services, reduces repetitive manual workload, provides policy makers with information to design and manage services, and fulfills state and federal legislative requirements. However, this system is outdated in a number of ways and will be replaced by the CWS- NS.

**Statewide Automated Welfare System (SAWS).** The Statewide Automated Welfare System (SAWS) Consortia is made up of multiple systems which support such functions as eligibility and benefit determination, enrollment, and case maintenance at the county level for some of the state's major health and human services programs, including CalWORKs and CalFresh. The Consortia includes the Los Angeles Eligibility, Automated Determination, Evaluation, and Reporting (LEADER) system, which is now being replaced by the LEADER Replacement System (LRS), the Welfare Client Data System (CalWIN), and Consortium IV (C-IV), which are managed by the Office of Systems Integration (OSI). This system is discussed in more detail under Issue 3 of this agenda.

**Welfare Data Tracking Implementation Project (WDTIP).** WDTIP provides counties with the automated functionality required to conform to the statewide tracking of time-on-aid requirements, and tracks the 48 and 60-month assistance clock, the 24-month services clock, and WTW exemptions and sanctions. WDTIP is the interface system within the existing county SAWS consortia.

**Los Angeles Eligibility, Automated Determination, Evaluation and Reporting Replacement System (LRS)/Consortium IV (C-IV) Migration.** The Governor's budget proposes \$38.6 million (\$7.5 million General Fund) in 2017-18 for LRS/C-IV migration within SAWS. The SAWS is currently made up of three systems: CalWIN, C-IV, and LRS. They support functions such as eligibility, benefit determination, enrollment and case maintenance at the county level for many of the state's major health and human services programs. The LRS and C-IV will design, develop and implement incremental changes in the LRS to migrate the 39 counties utilizing C-IV to the new 40-county

consortia, creating the newly named California Automated Consortia Eligibility System. The LRS project shifted to the M&O phase during 2016-17. The LRS implementation occurred October 24, 2016 and decommissioning of the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) system is currently in process. The C-IV migration efforts are set to begin July 2017 and are expected to be complete in 2020-21.

The costs noted above reflect funding for project planning, including development of a detailed line item cost of the project, vendor procurement and conversion design. Expenditure of these funds is contingent upon approval of project documents by the Department of Finance and the Department of Technology, which is included in associated, proposed Budget Bill Language.

**SAWS Automation Changes for Recently Enacted Legislation.** The current year budget (2016-17) includes a total of \$1.7 million one-time funding for SAWS updates to implement recently enacted legislation:

- Inter-County Transfers – SB 1339 (Chapter 801, Statutes of 2016) waives the interview requirement for the receiving county and requires transfers to be timely for CalWORKs, CalFresh and Medi-Cal.
- Consumer Credit Reports – SB 1232 (Chapter 308, Statutes of 2016) requires authorization to use credit reports for CalWORKs and CalFresh eligibility determinations.
- Overpayments on CalWORKs Reporting – AB 2062 (Chapter 795, Statutes of 2016) requires timely notification of reduction in benefits in order to be deemed an overpayment.

**Appeals Case Management System (ACMS).** ACMS supports the work of the State Hearings Division (SHD) within DSS, which is responsible for ensuring due process for individuals who wish to appeal administrative decisions about benefits for public assistance programs, including Medi-Cal, Covered California, CalWORKs, CalFresh, and In-Home Supportive Services (IHSS). Currently ACMS, along with 21 ad-hoc applications, is collectively known as the State Hearings System (SHS). The SHS tracks, schedules, and manages appeals requests received from all 58 counties.

OSI will help procure system integration services to assist the design, development and implementation of a hearings appeals system that will assist the recipients of public social service programs seeking fair hearings, DSS stakeholders, and state and local government entities. The ACMS will create a single case management system that will combine intake, scheduling and reporting functions into a single workflow; streamline current manual processes and reduce errors caused by data entry. The 2016 Budget Act approved an increase of \$237,000 in OSI spending authority for the ACMS project and the conversion of seven existing state positions from limited-term to permanent.

**Electronic Benefit Transfer (EBT) Project.** EBT is the system used in California for the delivery, redemption, and reconciliation of public assistance benefits, such as CalFresh, California Food Assistance Program, and cash aid benefits. Recipients of public assistance in California access their benefits with the Golden State Advantage EBT card. The new EBT services contract was executed on June 6, 2016, and the transition to the new California EBT system and other EBT-related services was initiated. The transition is scheduled to be completed no later than January 2018.

**Statewide Fingerprint Imaging System (SFIS).** SFIS is an identity verification system used to eliminate duplicate aid fraud and eliminate payments to incorrect payees due to fraud or administrative error. The current SFIS contract, with a budget of \$12.3 million General Fund annually, is set to expire August 31, 2017. A new identity verification service is undergoing pilot testing now by DSS, with six counties participating, utilizing a form of “Knowledge-Based Authentication.” The outcomes of this pilot may influence a possible replacement for SFIS if any new contemplated system doesn’t pose adverse experiences and outcomes for clients.

**California’s Foster Care Eligibility Determination (FCED) Solution.** The current FCED functionality resides in each of the three SAWS Consortia. The ACF has stated that the current California model for FCED does not meet the federally acceptable level of automation. The 2017-18 Governor’s budget proposes a new single statewide FCED solution that will leverage the existing SAWS to comply with the federal requirement that a Title IV-E agency use the same automated functions for all Title IV-E determinations. The FCED hosting solution will ultimately consider all 58 counties’ business processes and will include a governance structure that will support all counties. This integrated solution will standardize processes and reduce the amount of work put into exchanging information between the SAWS, Child Welfare Services/Case Management System (CWS/CMS), Child Welfare Digital Services (CWDS) Project and California’s court systems. The design, development and implementation activities are scheduled to occur from April 2018 to October 2019. The Governor’s budget proposes \$4.6 million (\$2.7 million General Fund) for this purpose.

#### STAFF COMMENT

Information on the many automation projects affecting human services programs comes to the Legislature on an ad hoc basis, generally associated with a BCP. Staff has made a request for comprehensive information on each automation system to be made available proactively on an annual basis from the Administration as part of the usual budget review process. Therefore, staff recommends that the Subcommittee ascertain from the Administration in the course of the hearing if the following information components can be provided annually at the January 10 Governor’s Budget release pursuant to an informal agreement:

- Project Description
- Total Estimated Project Cost (General Fund and other funds, for prior, current, and budget year)

- Estimated Project Completion Date
- Annual Average Maintenance and Operations Cost
- Funding Sources
- Governance Structure
- Project Status
- Current Project Plan
- Vendor and General Terms of the Contract
- Notable Issues
- Changes Being Sought Either in a BCP or in a Major Premise Change

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**Staff Recommendation:**

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This is an overview issue for the Subcommittee. All of the projects will be held open pending the May Revision.

Staff recommends that the Subcommittee secure an informal agreement regarding the information requested on projects on an annual basis pursuant to the agenda.

**ISSUE 3: OVERSIGHT ISSUE: CALSAWS INTEGRATION****PANEL**

- Will Lightbourne, Director, Department of Social Services
- Kristine Dudley, Deputy Director, Office of Systems Integration
- Frank Mecca, Executive Director, County Welfare Directors Association of California
- Tyler Woods, Department of Finance
- Lourdes Morales, Legislative Analyst's Office
- Public Comment

**BACKGROUND**

In 2011, as a pre-requisite for approval to develop and implement the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Replacement System (LRS), Centers for Medicare & Medicaid Services (CMS) and Food and Nutrition Service (FNS) required California to submit a long-term strategy for a centralized Statewide Automated Welfare System (SAWS). In response, California proposed a short, medium, and long term strategy for the SAWS. This strategy was comprised of 1) updating the existing SAWS to meet the short term Affordable Care Act requirements, 2) a two-system strategy based on Consortium IV (C-IV) migrating onto the LRS platform, and 3) upgrading California Work Opportunity and Responsibility to Kids Information Network (CalWIN) to ensure the system is modernized to increase its longevity. In 2012, CMS and FNS responded with approval for the LRS under the condition that California commit to moving to a single SAWS system by 2020.

In December 2016, CMS and FNS denied CalWIN's request for enhancements to their system and reiterated their requirement for California to move to a single SAWS in order to continue to receive Federal Financial Participation (FFP). Additionally, the federal partners asked the state for a timeline detailing the migration of the CalWIN counties to a single system by 2023. In January 2017, California proposed an incremental approach to a single, 58-county statewide eligibility system to be implemented by 2025. The approach would be comprised of 1) completing the C-IV migration to the LRS platform by 2020, 2) upgrading CalWIN as necessary to keep it viable until transition to a statewide system, and 3) introducing a shared-services strategy to leverage common functionality for all 58 counties.

**Status for the LRS / C-IV Migration.** As LRS was implemented in October 2016, the next step in the C-IV to LRS Migration is to implement a new, county-based governance structure, the 40 county California Automated Consortium Eligibility System (CalACES) Joint Powers Authority (JPA) consisting of the 39 C-IV counties and Los Angeles County. JPA documents will be presented to the Los Angeles County Board of Supervisors in April 2017. The documents are expected to be approved by LA and will proceed to each of the C-IV county Boards of Supervisors with final approval expected

in September of this year. In addition, the contract negotiations with Accenture for the development and implementation (D&I), and initial Maintenance and Operation (M&O) support of the CalACES system have begun with an expectation that an agreement with Accenture will be in place by June 2017. The migration project is expected to begin in January 2018 and be completed in the fall of 2020 with two separate instances of the CalACES system being deployed; one in the C-IV data center, and the other in the LRS data center.

The CalACES consortium will also procure services for the final step of the LRS and C-IV migration, the consolidation into a single data center, as well as the M&O contract for the new CalACES system to coincide with the current end of the C-IV and LRS M&O contract in 2023.

#### **STAFF COMMENT AND QUESTIONS**

The multiple consortia SAWS was a deliberate design, therefore there are consequential policy questions raised by the federal imperative to move to a single system. The Subcommittee may wish to inquire as to the risks and concerns of this move to ensure that any serious challenges are duly acknowledged and properly managed moving forward.

- What was the rationale for the original decision to move to a multiple consortia SAWS strategy?
- How does the Administration anticipate governance could work within a consolidated CalSAWS system?
- How does the Administration intend to ensure vendor competition in a single system strategy and how could this affect quality, technology innovation, and pricing?

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#### **Staff Recommendation:**

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Staff recommends holding these issues open, but asks for the Administration to keep the Subcommittee and Legislative partners abreast on the work toward the creation of a single SAWS system, attuned to the questions raised in the agenda.

**ISSUE 4: BUDGET CHANGE PROPOSAL (BCP) #7: HORIZONTAL INTEGRATION OFFICE:  
TRANSFER TO THE OFFICE OF SYSTEMS INTEGRATION****PANEL**

- Adam Dondro, Assistant Director of Horizontal Integration
- Peter Kelly, Chief Deputy Director, Office of Systems Integration
- Tyler Woods, Department of Finance
- Lourdes Morales, Legislative Analyst's Office
- Public Comment

**BACKGROUND**

The following information has been provided from DSS at the request of the Subcommittee.

The Office of Horizontal Integration (HI) was created in 2013 within the Department of Social Services. At the time, the implementation of the Affordable Care Act was in full-swing and there was a desire to ensure that California was looking beyond simply providing health insurance, and instead looking at the holistic needs of the client. HI took a two-pronged approach. 1) Provide leadership, vision and direction to drive culture change to look at our clients more holistically, rather than within siloed program views. 2) Demonstrate how that culture change can lead to real, tangible differences in the services the Department of Social Services provides, the way in which they are delivered, and ultimately in the life of the client.

DSS has successfully implemented a culture beyond the HI office where program staff and subject matter experts are now advancing the mission of Horizontal Integration.

- Cross programmatic initiatives are now implemented by program staff. I.E.: Welfare to Work programs are coordinating application and form designs, coordinating with WIC and Medi-Cal, and considering the needs of the client up front.
- All programs are striving for better data to help drive programmatic decisions, and using that data to break down silos between programs, divisions and even departments.
- Children and Family Services Division has been engaged heavily in understanding its population of youth in relation to Health Care issues, CalFresh, and many other programs.
- Forums have been developed that facilitate cross-programmatic interactions, such as the "Analysts Roundtable" specifically designed to have discussions across division and program boundaries.

In driving towards these larger culture changes, HI has led/coordinated many efforts to demonstrate the value of cross programmatic work, including:

- Building relationships on projects like CalHEERS, leading to DSS now being a part of the core project teams and sitting at all levels of Governance. The Program Integrity Branch is now lead on many of these interactions.
- Facilitated development of the nation's first multi-benefit application (CalFresh, CalWORKs and Medi-Cal). Welfare to Work owns this application and all updates necessary.
- Led multiple efforts to expand former and current Foster Youth access to CalFresh, including collaboration with the Judicial Council to update exiting foster youth processes, increasing outreach to all Medi-Cal Recipients, and using other existing contact methods to provide information.
- Coordinated a workgroup to improve former Foster Youth access to and utilization of Medi-Cal including data sharing agreements to identify former Foster Youth for outreach, and working with the courts system to improve existing processes.
- Implemented a pilot for a multi-benefit screening tool (Child Care, CalWORKs and CalFresh) to enable the public to get a quick and easy understanding of potential benefits availability.
- Implemented a cross-departmental governance structure and process around open data and data use. Research Services Bureau is now leading this process.
- Initiated discussions with the Women, Infants, and Children's program (WIC) regarding overlap and collaboration opportunities with CalFresh. CalFresh now shares data and identifies populations/regions to focus outreach efforts for both programs.

While HI has driven many of these efforts across DSS, the culture now facilitates these efforts to start at all levels of the organization. It was also very much by design that many of the specific successes mentioned above are now being led by program staff rather than HI staff. Sustainability of Horizontal Integration is dependent upon such cultural changes.

#### **BUDGET CHANGE PROPOSAL**

The Governor's budget proposes transferring the Office of Horizontal Integration (HI) and three existing staff, funded with \$371,000 (\$149,000 General Fund), from the Department of Social Services to the California Health and Human Services Agency's Office of the Agency Information Officer (AIO) at the Office of Systems Integration. DSS states that the role of the HI Office is more appropriately aligned with the AIO, which already has the responsibility to look at issues across the entire HHSA making the mission of the HI Office a natural fit. This is a cost-neutral proposal.

The HI Office was created in 2013 and DSS states that the staff has spent considerable time developing the office and relationships specifically bridging a critical divide between DSS and Affordable Care Act (ACA) related activities. In 2015, the HI Office and its positions were made permanent with a recognized scope beyond the ACA. The

HI Office is a cross-programmatic and cross-departmental team working on large-scale efforts as well as more targeted initiatives to create a more client-centered enterprise of support.

DSS states that while being positioned at the Agency level does provide the office more authority, more importantly it demonstrates to staff throughout the Agency that this effort is a priority for everyone. Integration is all about taking an enterprise approach to initiatives, projects and processes – looking at the bigger picture. Teaming up with the Enterprise Architecture office within the AIO, the HI team is better positioned to implement standards, best practices, and other enterprise wide improvements that can drive the culture of horizontal integration across the entire Agency. Additionally, shifting the HI office to the Office of the AIO will appropriately position the office to more effectively and efficiently pursue integration efforts. Within the Office of the AIO, all CHHS Agency IT efforts are reviewed through the existing approval process. Under the proposed structure, the HI office will be better positioned to participate in those reviews and influence at the earliest stages to ensure integration is being considered.

<b>STAFF COMMENT</b>
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The Subcommittee may wish to pose the following questions to both DSS and OSI in the course of the hearing:

- Where is AIO situated in the hierarchy of the OSI?
- How will OSI and the AIO ensure that the HI effort becomes what the BCP aspires it to and not lose its focus in the new configuration?

Staff recommends that the Subcommittee consider a report back on the transition and what it's meant for the HI effort as a part of the 2018 budget review process.

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**Staff Recommendation:**

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Staff recommends holding this BCP open pending a vote-only action at the May Revision hearings.

**ISSUE 5: BCP #12: CHILD WELFARE DIGITAL SERVICES (CWDS) ADJUSTMENT****PANEL**

- Peter Kelly, Chief Deputy Director, Office of Systems Integration
- Kevin Gaines, Branch Chief, Department of Social Services
- Brandon Hansard, Branch Chief, Information Technology Project Oversight, Department of Technology
- Tyler Woods, Department of Finance
- Lourdes Morales, Legislative Analyst's Office
- Public Comment

**BACKGROUND**

The Governor's Budget includes funding increased funding of \$120.4 million (\$60.2 million General Fund) for costs associated with the development and implementation of the CWDS Project, which will replace the aging CWS/CMS. Funding is needed in 2017-18 for development services associated with several interfaces, as well as for state resources to extend and enhance the technology platform, begin providing Development and Operations services and fill critical resource gaps existing in the Project's staffing model. Additional vendor services are required to provide implementation support and software development services. Increased county implementation readiness, project management, data conversion, policy and training activities also will be done in 2017-18. The Administration states that the 2016-17 and 2017-18 costs are consistent with Special Project Report #2 and reflect baseline budget adjustments.

**BUDGET CHANGE PROPOSAL**

The Governor's budget requests increased funding of \$51 million (\$25.5 million General Fund) to continue activities related to delivering the Child Welfare Services - New System (CWS-NS), including a total of 57.0 permanent positions and vendor contract increases. OSI states that the successful execution of the CWS-NS will deliver business value to county social workers in a more efficient and effective manner. The project's agile approach to develop functionality will allow for rapid development and validation of services. Vendor performance is measured by working software, which gives county and state end-users immediate visibility and the opportunity to provide expedited feedback. Problems are able to be identified and corrected more quickly, reducing the cost of defect resolution and potential misalignment to use requirements. OSI states that this approach is consistent with previously approved Special Project Reports (SPRs) and the project's federal Implementation Advance Planning Document (IAPD).

The resource and cost adjustments requested through the BCP are as follows: \$6.2 million for 57.0 new state positions; \$72,000 associated with reclassified 10 existing state positions; \$2.5 million for total county consultant resource adjustments; \$7.4 million for project support consultant resource adjustments; \$30.8 million for software customization vendor resource adjustments; \$4.4 million for interface partners adjustment; and \$702,000 for operating expenses and equipment (OE&E). OSI states that additional project funding in the amount of \$70 million is requested through the Local Assistance subvention process. These funds will be utilized for costs associated with county participation, state transition, contract services, and OE&E. The majority of this funding (\$58.1 million) is associated with county participation costs that are integral to the project's user-centered design process.

During the last year the project has had some major achievements and continued progress:

- The Administration on Children, Youth and Families (ACYF) conditionally approved the project's Implementation Advance Planning Document (IAPD) #1. The approval of IAPD #1 ensures continued federal support and FFP for CWS-NS development activities.
- The project explored alternative procurement processes or vehicles to procure the remaining digital service vendors more expeditiously. Working collaboratively with the Department of General Services (DGS), the General Services Administration 18F team, and the California Department of Technology (CDT) State Technology Procurement (STP), to establish an Agile Development Pre-Qualified (ADPQ) vendor pool. The ADPQ was established and included 11 highly qualified vendors. The CWDS is the first California Health and Human Services organization to leverage the ADPQ vendor pool and release Request for Offers (RFOs) against it. The ADPQ will be refreshed at regular intervals to ensure continued competition and inclusion of high quality vendors.
- The first CWS-NS developed features (Login/Search) were released to production, although the search feature required additional configuration to adjust the search results filter. The Login and Search functionality was later made available to the 12 core county participants. While the Intake team works to enhance this initial release of functionality, it continues to conduct research and usability testing with county workers to ensure the digital services are customer centric and meet their most immediate needs.

Contracts executed or scheduled to award in CY include:

- The Technology Platform 1 contract was executed with Taborda Solutions. This is the first of several technology platform teams the project will onboard to develop the CWS-NS technology platform. This vendor will create an Application Program Interface (API) to encapsulate the CWS/CMS to enable rapid and modern development of customer facing digital services.
- The Intake Services contract was executed with Case Commons, Inc. This will be the first customer facing digital service to be developed by the CWS-NS. The Intake team will establish the CWDS Digital Service development framework,

standards used, software development methods and guidelines, and system administration practices that will be leveraged by all remaining digital services.

- The Certification, Approval and Licensing Services (CALs) contract was executed with Cambria Solutions, Inc. This was the first procurement to leverage the ADPQ and resulted in a total solicitation duration of approximately three (3) months. This vendor will provide state and county licensing and approval staff with a simple and efficient tool for the processes of facility licensing and certifying and resource family home approval.
- The Intake Implementation contract was executed with OnCore Consulting. This vendor will assist with the deployment of the Intake service to the Intake user community, which consists of up to 7,000 staff located across the state. Additionally, up to 18,000 additional CWS staff (social workers, public health nurses, probation officers, supervisors, and support staff) access Intake information in the course of their daily work.
- The Technology Platform 2 contract was executed with EngagePoint, Inc. This vendor will provide design and development services to extend and enhance the CWS-NS application program interface (API) and provide data access services to legacy and new data stores, common business services (e.g., business rules, workflow), and information exchange interfaces to the customer facing digital services (e.g., CALs).
- The project expects to award its Case Management digital service contract by the end of CY.

In 2017-18 the CWS-NS project will focus on:

- Continued development of user-facing web application digital services (Intake; Certification, Licensing and Approval (CALs); and Case Management).
- Development of the technology platform (API).
- Evolution of teams to provide implementation support, enterprise services such as Help/Service Desk, DevOps engineering, data governance and strategy, information security, procurement, contract management, and project administration/reporting services.

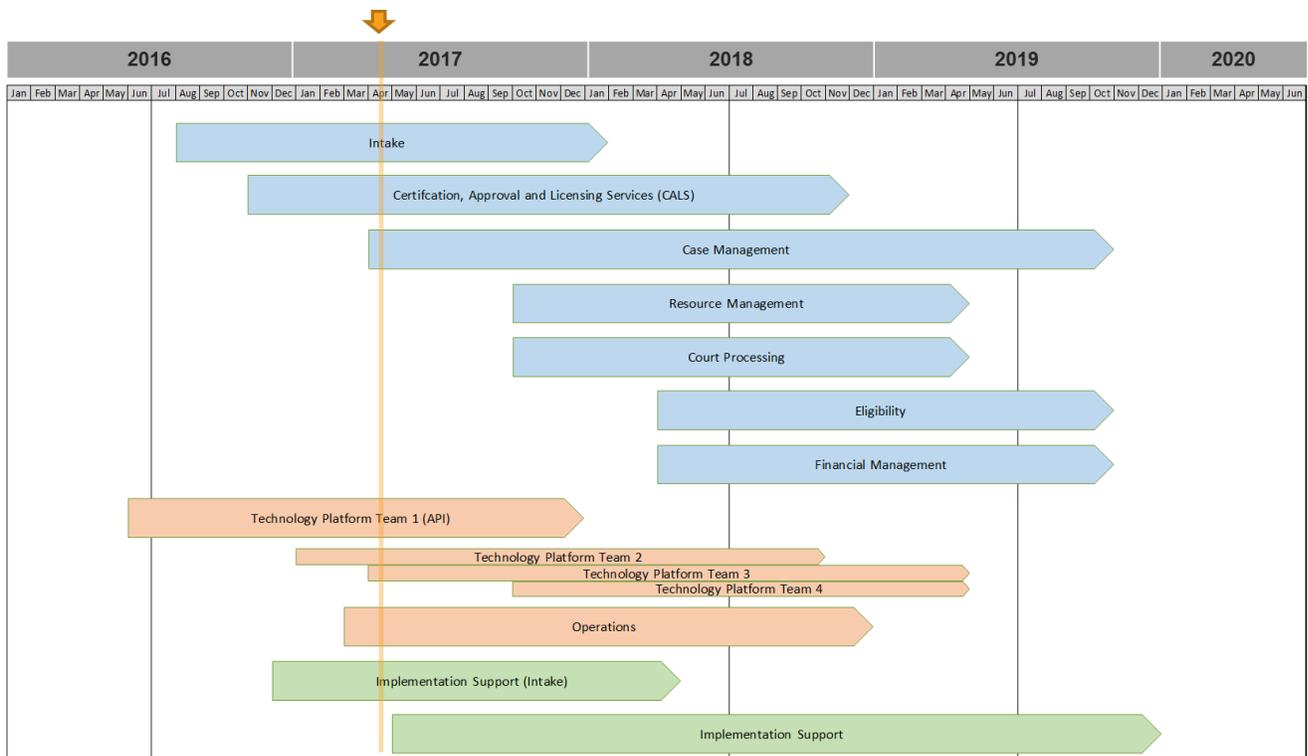
Digital Services – Research, design and development will continue for the Intake digital service, and will expand to support additional digital service modules including Certification and Licensing System (CALs) and Case Management. The CALs digital service will exchange data with two legacy systems: the Field Automation System (FAS) and the Licensing Information System (LIS). The Case Management digital service is the most expansive and complex digital service, and will utilize multiple vendor development teams.

CWS-NS Technology Platform (API) – Development will continue and incorporate additional state staff and vendor development teams to pair with CALs and Case Management application development. Procurement volume will continue to increase as the majority of contracts for vendor teams are awarded, bringing the project to full development capacity.

Contracts scheduled to be awarded include:

- Technology Platform 2
- Help/Service Desk
- DevOps 1 (DevOps Engineering/ITSM)
- Case Management (2 contracts)
- Technology Platform 3
- Implementation Services (4 contracts)
  - Implementation Services
  - OCM
  - Training Development
  - Training Delivery

The project schedule is as follows:



The detailed breakdown of the \$70 million CDSS Local Assistance Budget requested for 2017-18 is provided below. This amount is not included in 2017-18 BCP request, as this is requested through the Local Assistance Premise.

CWS-NS Project Budget (All dollars in thousands)	FY 16-17 Baseline Budget	FY 17-18 CWS-NS Budget Request	FY 17-18 Proposed CWS-NS Budget
<b>CDSS Local Assistance Costs</b>			
<b>Contract Services</b>	<b>2,394</b>	<b>13,341</b>	<b>15,735</b>
IV&V Services	540	180	720
IPOC Services	338	-	338
Implementation Support Services	520	-	520
County Consultant Services	996	-	996
State Transitions Costs	-	13,161	13,161
<b>County Participation Costs</b>	<b>10,230</b>	<b>58,109</b>	<b>68,339</b>
<b>Other Services (OE&amp;E)</b>	<b>3,668</b>	<b>(1,456)</b>	<b>2,212</b>
<b>Total CDSS Local Assistance Costs</b>	<b>16,292</b>	<b>69,994</b>	<b>86,286</b>

The project's long-term staffing solution is to build an internal state team to continue delivering Development and Operations (DevOps) services as well as develop the Courts Processing, Eligibility and Financial Management services. This approach will allow the state to:

- Take ownership of delivering the program mission with modern technology;
- Reduce dependency on vendors;
- Develop a pool of qualified state resources;
- Allow the state to be more flexible in the enhancements and services the CWS-NS provides to stakeholders; and
- Allow the state to continue providing high-value services at a lower operational cost.

The State will play the role of Systems Integrator following a predefined process (Scaled Agile Framework [SAFe]) for continuous development, continuous integration, continuous delivery, and continuous monitoring to help the DevOps teams work together efficiently. As each digital service is delivered the state will take on DevOps. Starting with the Intake digital service, the state will build a DevOps team that consists of developers, stakeholders, system/data administrators, Quality Assurance (QA), and security specialists to meld application development and deployment into a more streamlined process.

The project will ensure that it is sufficiently staffed and skilled to consume these services by incrementally developing the digital services, leveraging the knowledge and skills of vendors, and scaling up the project delivery over several years. Additionally, as state staff are hired, they will be integrated into the vendor teams where they will work side-by-side, learning the culture, code, and processes directly. Additional training will be provided, as necessary, to supplement the knowledge transfer and on the job training to ensure a baseline set of skills and competency for state staff.

**STAFF COMMENT AND QUESTIONS**

The Administration provides a periodic, in-depth briefing on the CWDS development, and recently provided more extensive information supporting the BCP request. This information remains under review.

The Subcommittee may wish to ask the following question on this request:

- What are the biggest architectural achievements in the system that you aim to see before the end of the 2017-18 budget year?
- How confident is the OSI that the resources provided for the project will be sufficient in total to achieve the new system?

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**Staff Recommendation:**

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Staff recommends holding this BCP open pending a vote-only action at the May Revision hearings.

**ISSUE 6: BCP #1: CASE MANAGEMENT, INFORMATION, AND PAYROLLING SYSTEM II (CMIPS II) – VENDOR CONTRACT TRANSITIONAL ACTIVITIES****PANEL**

- Cynthia Tocher, Deputy Director, Office of Systems Integration
- Will Lightbourne, Director, Department of Social Services
- Iliana Ramos, Department of Finance
- Lourdes Morales, Legislative Analyst's Office
- Public Comment

**BACKGROUND**

The CMIPS II premise provides funding for the operation and maintenance of the automated system used to house IHSS case information, issue payroll to care providers and provide caseload data for each recipient and provider in the IHSS Program. The system also generates notices of action and rate changes. There is no change in 2016-17. In 2017-18, additional funding of \$4.8 million (\$2.5 million General Fund) is provided to implement SB 3 (Chapter 4, Statutes of 2016) for provider paid sick leave. The CMIPS II changes associated with the implementation of SB 75, which expands Medi-Cal IHSS benefits to undocumented children, are expected to be minimal and are assumed to be paid through the existing M&O funds. The current CMIPS II prime vendor contract expires on March 31, 2018 and a procurement to obtain continued M&O services is in progress. If the contract is awarded to a new prime vendor, there will be a transition period during which the incumbent will wind down operations and the new vendor will ramp up activities. Corresponding Budget Bill Language has been proposed to authorize the costs of this activity once known.

**BUDGET CHANGE PROPOSAL**

The Governor's Budget requests a one-time increase of \$8.9 million in spending authority to support potential prime vendor contract transition activities if a planned cutover to a new vendor materializes, with a corresponding Budget Bill Language request. The current CMIPS II prime vendor contract expires on March 31, 2018. The competitive procurement contract for CMIPS II maintenance and operation services is anticipated to be awarded August 2017. If the contract is awarded to a new prime vendor, there will be an eight-month transition period (from August 2017 to March 2018) during which time the incumbent prime vendor winds down operations and the new prime vendor would ramp up activities.

The transitional activities are intended to minimize the risk of service degradation and system failures after the March 2018 expiration of the existing vendor contract. Among critical contract services that would transition include program support for IHSS case management and payroll, including timesheet processing; system operations to ensure CMIPS maintains system performance levels with no outages or slowdowns; and

system development and testing to ensure system changes continue with no defects. DSS requests corresponding changes as the department reimbursing for these activities.

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**Staff Recommendation:**

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Staff recommends holding this BCP open pending a vote-only action at the May Revision hearings.

**ISSUE 7: BCP #8: CMIPS II – IMPLEMENTATION OF SICK LEAVE FOR IN-HOME SUPPORTIVE SERVICES (IHSS) PROVIDERS****PANEL**

- Cynthia Tocher, Deputy Director, Office of Systems Integration
- Will Lightbourne, Director, Department of Social Services
- Iliana Ramos, Department of Finance
- Lourdes Morales, Legislative Analyst's Office
- Public Comment

**BUDGET CHANGE PROPOSAL**

The Governor's budget requests a one-time increase in spending authority of \$4.8 million to implement paid sick leave for IHSS and Waiver Personal Care Services providers beginning July 1, 2018, pursuant to Chapter 4, Statutes of 2016 (SB 3). SB 3 entitles IHSS providers who work in California for 30 days or more within a year from the commencement of employment to paid sick days, subject to specified full amount of leave time amounts and the rate of accrual. Implementation of the paid sick leave functionality is scheduled to be deployed in a phased approach, beginning July 2018.

Half of the \$4.8 million is for application changes, business interface process changes, training of county staff, and provider help desk resources. The remaining half of the requested \$4.8 million is to provide four statewide mass mailings informing recipients and providers about changes to the IHSS program resulting from SB 3. OSI states that the requested resources are comparable to previous one-time CMIPS II system support services changes, such as those resulting from the federal Fair Labor Standards Act requirements. The \$4.8 million amount is based on a high-level estimate submitted by the current CMIPS II prime vendor. DSS requests corresponding changes as the department reimbursing for these activities.

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**Staff Recommendation:**

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Staff recommends holding this BCP open pending a vote-only action at the May Revision hearings.

**0530 HEALTH AND HUMAN SERVICES AGENCY, OFFICE OF LAW ENFORCEMENT SUPPORT****ISSUE 8: PROGRAM AND BUDGET REVIEW AND BCP #10: REQUEST FOR INFORMATION  
TECHNOLOGY AND LEASED VEHICLE FUNDING****PANEL**

- Ken Baird, Chief, Office of Law Enforcement Support
- Kristopher Kent, Assistant Secretary, Health and Human Services Agency
- Tyler Woods, Department of Finance
- Sonja Petek, Legislative Analyst's Office
- Public Comment

**BACKGROUND**

The Office of Law Enforcement Support (OLES) was created in the California Health and Human Services Agency to provide oversight and monitoring at the California Department of State Hospitals (DSH) and the Department of Developmental Services (DDS). Per its statutory authority, the OLES focused on law enforcement programs and employee misconduct at the departments and conducted internal investigations of DSH and DDS police personnel.

**BUDGET CHANGE PROPOSAL**

The Governor's budget requests additional funding of \$271,000 for 2017-19 and \$146,000 after and ongoing for information technology and leased vehicles to meet the mandates of WIC 4023.6-8 and 4427.5 enacted in 2015. This law requires OLES to conduct investigations, provide contemporaneous monitoring and oversight of certain investigations conducted by the Department of State Hospitals (DSH) and DDS, and issue reports to the Governor, policy and budget committees, and the Joint Legislative Budget Committee no less than twice annually. Specifically, OLES has identified the need for additional resources to cover operating expenses for leased vehicles as well as contract costs for reengineering, implementation, licensing, and support of information technology systems.

The proposal will allow OLES to make critical and necessary changes to the Records Management System (RMS), utilized by the Department of State Hospitals (DSH) and DDS, and Tracking and Oversight Program (TOP) systems, including one-time costs of \$150,000 for RMS implementation and reengineering, and ongoing annual costs of \$25,000 for system maintenance, support, and updates. The TOP case management system requires \$50,000 for system updates and report development and \$50,000 for ongoing annual costs including system maintenance, support, and updates.

OLES currently leases eight vehicles. These vehicles accommodate the needs of the attorneys and investigators to travel to facilities throughout the state to conduct interviews and investigations, and provide oversight and training to facility staff. The estimated cost for eight vehicles including gas, maintenance, and leasing is \$71,000 annually.

#### **OLES SEMI-ANNUAL REPORT**

The OLES is required to issue a semi-annual report detailing data and insights on reported incidents that impact the safety and security of patients and clients who are under the state's care. This report is available on-line at [www.oles.ca.gov](http://www.oles.ca.gov).

The most recent report covering the period from July 1, 2016 to December 31, 2016 included tracking of recommendations made in 2015 and their status. One of the recommendations that has yet to be implemented is the following:

- *Legislation should be drafted and executed to consolidate all DSH law enforcement under the department's chief of law enforcement.*

The noted benefit of the above practice per the OLES is that this would upgrade the role of the department chief of law enforcement from consultant to supervisory manager for faster standardization of law enforcement practices. Also, it would centralize fragmented law enforcement authority and the fragmented DSH law enforcement budgeting process.

#### **ADVOCATES' REACTION**

The California Statewide Law Enforcement Association (CSLEA) writes with the following reaction to the semi-annual report and this advocacy request:

“State hospital police, which are members of CSLEA, are facing significant law enforcement structure challenges. At the [DSH,] the organizational structure fragments, rather than consolidates, the department's law enforcement authority. We are seeking changes similar to those established within the Department of Developmental Services (DDS).

Welfare and Institutions (WIC) Code 4311 was last amended in 1976 when DSH residents were primarily mentally ill patients. However, today, over 90% of patients come from the criminal justice system. In several reports, Office of Law Enforcement Support (OLES) has recommended that the best law enforcement practice be followed and that legislation be enacted to consolidate all DSH law enforcement under the department's chief of law enforcement. This is a top recommendation and has yet to be implemented. This authority is necessary to, among other things, ensure consistency in law enforcement policy and procedures statewide and, thereby, increase patient and staff safety and reduce the department's exposure to civil liability.

## Proposed Solution/Budget Trailer Bill Language:

CSLEA suggests the following language changes, which are in line with current law for DDS under the WIC 44415.5(a)(b), pursuant to SB 1051 (Chaptered 2012), and states that the proposed changes will allow for greater patient and staff safety and further reduce exposure to civil liability in the event of serious incidents.

## WIC 4311

~~The hospital administrator shall be responsible for preserving the peace in the hospital building and grounds and may arrest or cause the arrest and appearance before the nearest magistrate for examination, of all persons who attempt to commit or have committed a public offense thereon.~~

- . (a) The Chief of the Office of Protective Services, who has the responsibility and authority to manage all protective service components within the department's law enforcement and fire protection divisions, including those at each state hospital, shall be known as the Director of Protective Services. The director shall be an experienced law enforcement officer with a Peace Officer Standards and Training Management Certificate or higher, and with extensive management experience directing uniformed peace officer and investigation operations.
- . (b) The Director of Protective Services shall be appointed by, and shall serve at the pleasure of, the Secretary of California Health and Human Services.

## WIC 4313

~~The hospital administrator of each state hospital may designate, in writing, as a police officer, one or more of the bona fide employees of the hospital. The hospital administrator and each such police officer have the powers and authority conferred by law upon peace officers listed in Section 830.38 of the Penal Code. Such police officers shall receive no compensation as such and the additional duties arising therefrom shall become a part of the duties of their positions. When and as directed by the hospital administrator, such police officers shall enforce the rules and regulations of the hospital, preserve peace and order on the premises thereof, and protect and preserve the property of the state.~~

## STAFF COMMENT

Advocates have spoken directly with HHSA about their proposal in reaction to the recommendations included in the semi-annual report. The Subcommittee may wish to ask the HHSA representative the following questions:

- What is the Administration's reaction to the yet to be implemented recommendation?
- What is the thinking around not pursuing the change being put forth?

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**Staff Recommendation:**


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Staff recommends holding this BCP and the issues being raised in reaction to the semi-annual report open pending the May Revision hearings.

**4300 DEPARTMENT OF DEVELOPMENTAL SERVICES****ISSUE 9: DEVELOPMENTAL SERVICES ADVOCACY REQUEST: SYSTEM FUNDING****PANEL**

- Assemblymember Devon Mathis
- Nancy Bargmann, Director, and John Doyle, Chief Deputy Director, Department of Developmental Services
- Kris Cook and Vanessa Garcia, Department of Finance
- Sonja Petek, Legislative Analyst's Office
- Public Comment

**BACKGROUND**

Background on the developmental services budget can be found in the Subcommittee's March 1, 2017 agenda, available at <http://abgt.assembly.ca.gov/sub1hearingagendas>.

**PROPOSAL**

The Subcommittee is in receipt of the following letter from Assemblymember Devon Mathis:

I respectfully request Assembly Budget Subcommittee No. 1 on Health and Human Services consider a proposal to deposit all savings from the closures of the Developmental Centers, and any revenue generated from the sale of those properties, into the Department of Developmental Services Trust Fund (DDSTF) located at the State Treasury created by Government Code §14670.36. Additionally, any revenue generated from the reuse or continued innovative use of those properties, such as that of Harbor Village, should continue to be operated as a self-sustaining mechanism of income for the developmentally disabled population. In the case of a revenue-generating property such as Harbor Village, the Legislature should require that any funds that cannot be immediately used to support consumers onsite of a property such as Harbor Village, or to run said property, should be deposited in the DDSTF.

All money in the DDSTF should be subject to appropriation in the ordinary course of Budgeting by the Legislature, but only to the State Department of Developmental Services (DDS) for the support of programs, services, and providers, who care for, house, employ, and otherwise enrich the lives of developmentally disabled Californians, and should never, under any circumstances revert to the General Fund. This language should take precedence over the language in Government Code §§ 14670.35-14670.36, which allows for, in some cases, reversion of funds from the DDSTF to the General Fund. DDS should be required to continue to comply with procedural requirements when closing the remaining developmental centers, and report at least

annually on the status and expenditures from the DDSTF. As no savings have yet been identified or worked into DDS or General Fund Budget projections, this request should have no identifiable General Fund impact.

As the three remaining Developmental Centers are closed before 2021, it is essential that these savings are not just lost to the General Fund. As clients are shifted out of Developmental Centers, DDS allocates funds to private nonprofit entities known as regional centers, which are required to provide or arrange for the provision of services and supports for persons with developmental disabilities. To give a sense of the potential savings, the average cost to serve a client in a Developmental Center for the 2017-18 Budget year is expected to be approximately \$700,000 per person—this includes fixed costs allocated out to each remaining resident. By contrast, the Legislative Analyst's Office found in 2015 that the average cost to deliver services to a similar acuity client through the regional center system is between \$75,000 and \$300,000 per year. Under current practice, any cost savings realized through the closure of the Developmental Center goes to the General Fund, which reaps the savings between the cost of Developmental Center and community care; those savings do not flow to the Regional Center programs to help serve clients in the community.

The current funding levels at the DCs are based, in part, upon a Unit Staffing system whereby a certain number of patients are served by a set number of staff. When each unit has sufficient patients transferred to the community to shut down, the funds which were being used to pay for that unit staff should be deposited into the DDSTF. The remainder of the funding for staffing for the DCs are based upon a Program Support Staffing system, which is based on population at each DC—as population decreases, so should funding for Program Support Staff—any difference in funding as staffing levels are reduced should be deposited into the DDSTF.

A portion of the site at Fairview Developmental Center is run as Harbor Village, a mixed resident community where excess funds have stayed within the DDS system and, as the amount of excess grows, DDS can use the money to augment existing purchase of services funds used by regional centers to purchase services and supports for persons with developmental disabilities. Should the funds grow beyond the immediate needs, these funds should continue to be deposited into the DDSTF, as directed by Government Code 14670.36. Should any other similar housing community be developed, a similar structure should be utilized with additional resources being deposited into the DDSTF.

There is no intent with this request that any set value of funds be set aside into the DDSTF in any particular Budget year until actual savings or revenues are realized. The intent of this request is to mandate the framework by which the state retains savings and revenues from the closures of DCs for the benefit of the developmentally disabled community, outlined by Section 20 of SB 82 (2015).

Any further liquidation of the remaining three Developmental Center properties shall be frozen until such time as a working group can be established to determine how those properties can be utilized to benefit the developmentally disabled community in a way that does not violate the Constitutional requirements of disposition of surplus properties, but that ensures that the value of the properties is maximized for the community, preferably in an ongoing way.

The investments made into the state's system to support the developmentally disabled by the Managed Care Organization package passed in the 2016 Special Session were merely a good start into bringing fiscal stability to these programs that allow the developmentally disabled to lead lives that maximize their opportunities and participate in the community with dignity. However, increases in the minimum wage, federal mandates, and other external forces have already started to erode the positive impacts of these improvements. As this population increases, and as the DCs close and our DD community is served entirely by regional center programs, we must ensure that we find innovative ways to adequately resource their special needs without breaking the state's Budget.

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**Staff Recommendation:**

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Staff recommends holding this advocacy proposal open.

**ISSUE 10: DEVELOPMENTAL SERVICES ADVOCACY REQUEST: BEST BUDDIES****PANEL**

- Jessica Brooks, Best Buddies California State Director
- Larry Larkin, Best Buddies California Job Participant/Silicon Valley Bank Mail Clerk
- Nancy Bargmann, Director, and John Doyle, Chief Deputy Director, Department of Developmental Services
- Kris Cook and Vanessa Garcia, Department of Finance
- Sonja Petek, Legislative Analyst's Office
- Public Comment

**BACKGROUND**

The 2016 Budget included a \$1 million General Fund augmentation for the Best Buddies program. The Governor's Budget proposes a \$1 million total and General Fund decrease in 2017-18 for Best Buddies due to the removal of the 2016-17 one-time funding. Best Buddies has received state funding intermittently since 2000, securing \$1.5 million in 2007-08, which remained until 2009-10, when it was eliminated.

**ADVOCACY PROPOSAL**

Best Buddies is requesting \$1.5 million to support its social inclusion, integrated employment, and leadership development programs throughout California. Best Buddies states that a peer-based, structured program like Best Buddies provides an inclusive space for students with intellectual and developmental disabilities to interact and build one-to-one friendships, that provide additional levels of support, nurturing and 'scaffolding' in social skill development. Overall, the one-to-one friendships formed through Best Buddies chapters throughout California demonstrate successful inclusion to the community at large, create inclusive school communities, and enable participants with and without disabilities to learn and practice social skills that help them become college and career-ready.

According to National Core Indicators, 84% of adults with intellectual and developmental disabilities are unemployed, even though most are able to work and eager to do so. Best Buddies provides individualized job development and placement support that helps participants secure jobs of their choosing that pay at least minimum wage. Best Buddies Jobs participants work an average of 22 hours per week, compared with a national average of 12 hours per week, and they earn an average of \$11.90 per hour, compared with a national average of \$8.33 per hour. Best Buddies states that the \$1 million in current year funding helped them to support 5,654 participants at 95 Best Buddies chapters statewide, fund 17 new school-based Best Buddies chapters, launch a Best Buddies office in Fresno to serve the previously unserved Central Valley, expand

Best Buddies services to the Inland Empire, facilitate 25 new job placements in California including 15 new placements in Los Angeles County, among other accomplishments. The advocates state that \$1.5 million in 2017-18 would further these aims and support 6,200 participants at 100 Best Buddies chapters statewide, fund 20 new chapters in Fresno and San Jose serving an additional 600 students, serve 110 adults with disabilities already placed in competitive, integrated employment, serve 30 new adults with disabilities by expanding the Jobs program in Los Angeles and the Bay Area, and expand the Jobs program to Long Beach and Fresno and serve a minimum of 30 adults.

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**Staff Recommendation:**

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Staff recommends holding this advocacy proposal open.