

# AGENDA

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

ASSEMBLYMEMBER DR. JOAQUIN ARAMBULA, CHAIR

WEDNESDAY, FEBRUARY 23, 2022

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. All are encouraged to watch the hearing from its live stream on the Assembly's website at: <https://assembly.ca.gov/todaysevents>.*

*The Capitol will be open for attendance of this hearing. Any member of the public attending a hearing in the Capitol will need to wear a mask at all times while in the building.*

*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 (3-5 minutes is suggested, with five minutes as a firm maximum) in order to facilitate the flow of the hearing. Thank you.

**0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY (CHHS)**

**0530 OFFICE OF THE SURGEON GENERAL (OSG)**

**5180 DEPARTMENT OF SOCIAL SERVICES (DSS)**

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### ISSUE 1: END POVERTY IN CALIFORNIA

1. Dr. David Grusky, Professor of Sociology, Stanford University and Director, Stanford Center on Poverty and Inequality
2. Michael Tubbs, Senior Advisor for Economic Mobility and Opportunity to Governor Gavin Newsom and Founder of End Poverty in California (EPIC)
3. Dr. Devika Bhushan, Pediatrician and Acting Surgeon General, Office of the California Surgeon General
4. Kim Johnson, Director, California Department of Social Services
5. Sonja Petek, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

**5180 DEPARTMENT OF SOCIAL SERVICES**

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### ISSUE 2: CALWORKS – GOVERNOR'S PROPOSALS AND OVERSIGHT OVER KEY PROGRAM IMPROVEMENTS

1. Jennifer Hernandez, Family Engagement and Empowerment Division Deputy Director, California Department of Social Services
2. Kristina Meza, CalWORKs and Family Resilience Branch Chief, California Department of Social Services
3. Jenean Docter, Finance Budget Analyst, Department of Finance
4. Ryan Anderson, Principal Fiscal and Policy Analyst, Legislative Analyst's Office
5. Shimica Gaskins, President and CEO, GRACE/End Child Poverty CA
6. Jennifer Greppi, Lead Chapter Organizer, Parent Voices CA
7. Mike Herald, Legislative Advocate, Western Center on Law and Poverty
8. Cathy Senderling-McDonald, Executive Director, County Welfare Directors Association of California

**5175 DEPARTMENT OF CHILD SUPPORT SERVICES**

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**ISSUE 3: CHILD SUPPORT SERVICES – GOVERNOR’S PROPOSALS AND OVERSIGHT OVER KEY PROGRAM IMPROVEMENTS**

1. David Kilgore, Director, California Department of Child Support Services
2. Kristen Donadee, Chief Deputy Director, California Department of Child Support Services
3. Jaleel Baker, Finance Budget Analyst, Department of Finance
4. Jackie Barocio, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office
5. Mike Herald, Legislative Advocate, Western Center on Law and Poverty
6. Anissa Florie, Parent Leader, Student Parents Are Re-imagining CalWORKs (SPRAC)
7. Karen Roye, Director, San Francisco Department of Child Support Services
8. Sharon Wardale-Trejo, Director, Merced/Mariposa Regional Department of Child Support Services

**5180 DEPARTMENT OF SOCIAL SERVICES**

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**ISSUE 4: CALFRESH, CALIFORNIA FOOD ASSISTANCE PROGRAM, AND EMERGENCY FOOD – GOVERNOR’S PROPOSALS AND OVERSIGHT OVER KEY PROGRAM IMPROVEMENTS**

1. Jennifer Hernandez, Family Engagement and Empowerment Division Deputy Director, California Department of Social Services
2. Justin Freitas, Principal Program Budget Analyst, Department of Finance
3. Ryan Anderson, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office
4. Cathy Senderling-McDonald, Executive Director, County Welfare Directors Association of California
5. Shanti Prasad, Senior Policy Advocate, California Association of Food Banks
6. Betzabel Estudillo, Senior Advocate, Nourish California
7. Jake Brymner, Director of Government and External Relations, California Student Aid Commission

**ISSUE 5: FAMILY HOUSING AND HOMELESSNESS PROGRAMS – GOVERNOR’S PROPOSALS AND OVERSIGHT OVER KEY PROGRAM IMPROVEMENTS**

1. Julie McQuitty, Housing and Homelessness Acting Branch Chief, California Department of Social Services
2. Erin Carson, Staff Finance Budget Analyst, Department of Finance
3. Lourdes Morales, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office
4. Cathy Senderling-McDonald, Executive Director, County Welfare Directors Association of California

**ISSUE 6: CIVIL RIGHTS, ACCESSIBILITY, AND RACIAL EQUITY AND IMMIGRANT INTEGRATION PROGRAMS – GOVERNOR’S PROPOSALS AND OVERSIGHT OVER KEY PROGRAM IMPROVEMENTS**

1. Eliana Kaimowitz, Immigrant Integration Branch Chief, California Department of Social Services
2. Maureen Keffer, Civil Rights, Accessibility, and Racial Equity Office, Chief, California Department of Social Services
3. Hinnaneh Qazi, Principal Program Budget Analyst, Department of Finance
4. Ryan Anderson, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office
5. Jackie Gonzalez, Policy Director, Immigrant Defense Advocates
6. Cynthia Choi, Co-Executive Director of Chinese for Affirmative Action and Founding Partner of Stop AAPI Hate

There are no panels for the Non-Presentation Items on this agenda.

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

## ITEMS TO BE HEARD

**0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY (CHHS)**

**0530 OFFICE OF THE SURGEON GENERAL (OSG)**

**5180 CALIFORNIA DEPARTMENT OF SOCIAL SERVICES (DSS)**

### ISSUE 1: END POVERTY IN CALIFORNIA

#### PANELISTS AND QUESTIONS ASKED OF EACH PRESENTER

Panelists have been asked to specifically answer the questions below as listed for each individual panelist in their five-minute maximum presentation to the Subcommittee.

**1. Dr. David Grusky, Professor of Sociology, Stanford University and Director, Stanford Center on Poverty and Inequality**

- What are the key recommendations of your recent report on strategies to end poverty in California?
- How do safety net programs need to change to be a successful part of ending poverty in California?
- What are near-term policy objectives that will set California on the course toward a real end to poverty?

**2. Michael Tubbs, Senior Advisor for Economic Mobility and Opportunity to Governor Gavin Newsom and Founder of End Poverty in California (EPIC)**

- Why haven't we eradicated poverty yet? What are the barriers to progress that stand in the way of meaningful change?
- California has allocated resources into poverty-reducing efforts, yet we continue to have the highest rate of poverty than any other state. What is so intractable about poverty in our state and how can we be more effective with funding to make real change?
- What specific policies should the state be focusing its attention or allocating funding toward?
- It seems like we have the same kind of conversation about poverty every year. Is there anything different about this moment?

**3. Dr. Devika Bhushan, Pediatrician and Acting Surgeon General, Office of the California Surgeon General**

- What impacts does poverty have on the human brain and the life trajectory of a family and children living in poverty? How does this look for a family living in deep poverty, or under 50 percent of the federal poverty line?
- What are the demographics of poverty in California and what does this mean for our approach toward equity? Which populations are most vulnerable?
- What are the priorities of the California Health and Human Services Agency and the Office of the California Surgeon General on the ending of poverty in California?

**4. Kim Johnson, Director, California Department of Social Services (and representing the California Health and Human Services Agency)**

- What are the priorities of the California Health and Human Services Agency on the ending of poverty in California? What are the critical near-term steps that must be accomplished to end poverty in California?
- What are the demographics of those served in core social service safety net programs and what does this mean for our approach toward equity?
- What can we do to better serve vulnerable populations, including those not connected to, but who are eligible for, our core safety net programs?
- Please provide an update on the Guaranteed Income Pilot program that was funded in the 2021 Budget (\$35 million General Fund, one-time, over five years). What is the schedule for implementation?

**5. Sonja Petek, Principal Fiscal and Policy Analyst, Legislative Analyst's Office**

- Please provide any additional information on the issue.

**POVERTY IN CALIFORNIA AND THE EPIC INITIATIVE**

The End Poverty in California (EPIC) initiative launched on February 10, 2022. More about this multi-faceted initiative is available at <https://endpovertyinca.org/>.

In conjunction with the launch of EPIC, a report co-authored by Stanford University and the California Budget and Policy Center was released entitled, "Ending Poverty in California: A Blueprint for a Just and Inclusive Economy." The following is from the Forward to this new report, which can be found at <https://endpovertyinca.org/wp-content/uploads/2022/02/policy-paper.pdf>:

In many respects, there are two Californias, fractured by deep-seated economic inequality. California is both the state with the most wealth and the highest rate of poverty. We're the fifth largest economy in the world, yet more than a third of Californians are living below or near the poverty line. We're home to some of the most innovative and successful companies in the world, but rank fifth in the country for the worst income inequality and have the lowest amount of available affordable housing units. Millions of Californians work day in and day out at poverty-wage jobs, hundreds of thousands are homeless, and many of our children are hamstrung by separate and unequal educations that close doors on their futures before they even have the chance to begin.

These injustices are the result of fundamental inequalities that have been built into our institutions for generations. We've come to accept this status quo as fact, but no one in the Golden State should live in poverty. Full stop.

We live in a world of infinite possibility, and the existence of poverty is not an inevitability. People-made policies created poverty, and people-made policies can

dismantle them. We can end poverty, but only if we think bigger, bolder, and smarter, and act with a greater sense of urgency to stop the forces that perpetuate it.

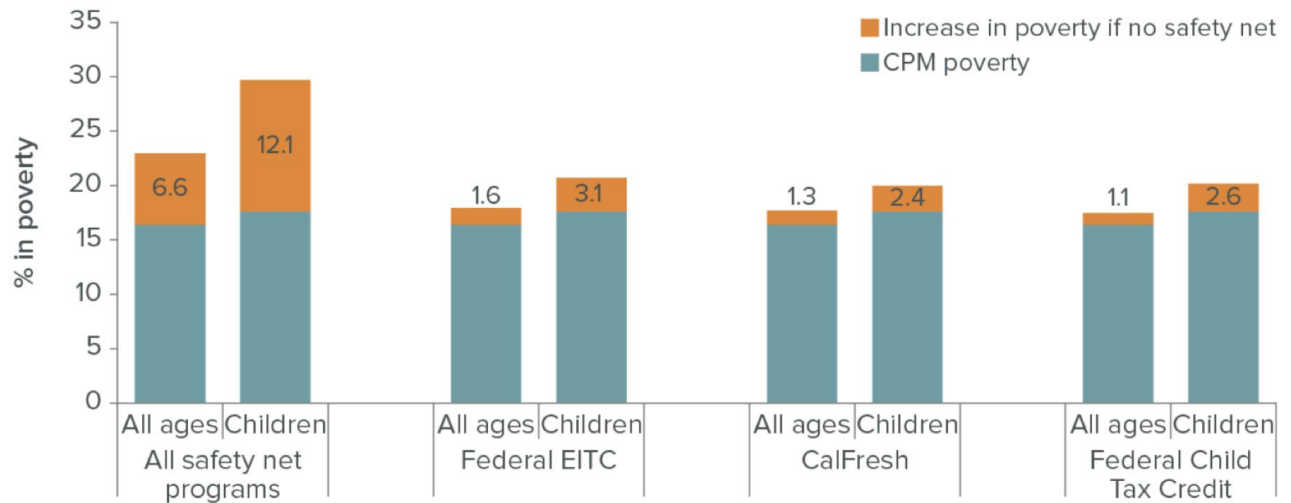
The following information on poverty statistics in California is from the Public Policy Institute of California's (PPIC's) July 2021 Fact Sheet, "Poverty in California."

Poverty in California declined in 2019, but the effects of COVID-19 are still uncertain. Unlike the official poverty measure, the California Poverty Measure (CPM), a joint research effort by PPIC and the Stanford Center on Poverty and Inequality, accounts for the cost of living and a range of family needs and resources, including safety net benefits. According to the CPM, 16.4% of Californians (about 6.3 million) lacked enough resources—\$35,600 per year for a family of four, on average—to meet basic needs in 2019. The poverty rate dropped from 17.6% in 2018. In 2020, COVID-19 is likely to have increased poverty due to severely constrained employment opportunity. However, state and federal responses like the CARES Act in 2020 and the American Rescue Plan Act (ARPA) in 2021 could have mitigated poverty surges providing economic support.

**More than a third of Californians are living in or near poverty.** Nearly one in six (16.4%) Californians were not in poverty but lived fairly close to the poverty line (up to one and a half times above it). All told, more than a third (34.0%) of state residents were poor or near poor in 2019. The share of Californians in families with less than half the resources needed to meet basic needs (the deep poverty rate) was 4.6%.

**Without social safety net programs, more Californians would live in poverty.** Without the largest social safety net programs, we estimate 6.6% more Californians would have been in poverty in 2019. Most safety net programs are designed to prioritize children, and in 2019, they kept 12.1% of children out of poverty. The federal Earned Income Tax Credit (EITC) lowered poverty rates most, by 1.6 points overall, and CalFresh lowered the overall poverty rate by 1.3 points. The federal Child Tax Credit (CTC) lowered the rate by 1.1 points; CalWORKs and General Assistance (GA) together lowered the rate by 0.8 points. Among children under age 6, the combined California EITC and Young Child Tax Credit (YCTC) lowered the rate by 0.6 points. These differing effects reflect program scale and scope as well as participation rates among eligible families.



**Poverty would be even higher without the safety net, especially among children**

Source: Estimates from the 2019 CPM.

**Poverty rates and the effect of safety net programs vary widely across the state.** Yolo (20.9%) and Los Angeles (20.8%) Counties had the highest poverty rates (2017–2019 average). El Dorado County had the lowest rate, at 10.4%. Rates vary even more widely (5.1% to 40.3%) across local areas and legislative districts. Safety net programs reduce poverty much more in inland areas: without them, poverty would be 12.1 points higher in the Central Valley and Sierra, but only 3.1 points higher in the Bay Area.

**Poverty rates vary widely across California's counties**

County	Poverty rate (%)	County	Poverty rate (%)	County	Poverty rate (%)
Alameda	14.1%	Madera	18.5%	San Luis Obispo	15.5%
Alpine, Amador, Calaveras, Inyo, Mariposa, Mono, Tuolumne	13.2%	Marin	15.8%	San Mateo	15.1%
Butte	17.9%	Merced	13.4%	Santa Barbara	20.7%
Colusa, Glenn, Tehama, Trinity	14.3%	Monterey, San Benito	17.3%	Santa Clara	14.3%
Contra Costa	13.8%	Napa	13.7%	Santa Cruz	17.0%
Del Norte, Lassen, Modoc, Plumas, Siskiyou	12.8%	Nevada, Sierra	17.3%	Shasta	15.9%
El Dorado	10.4%	Orange	19.1%	Solano	11.8%
Fresno	17.2%	Placer	11.5%	Sonoma	14.4%
Humboldt	19.5%	Riverside	16.1%	Stanislaus	14.4%
Imperial	19.5%	Sacramento	14.8%	Sutter, Yuba	11.9%
Kern	16.7%	San Bernardino	15.3%	Tulare	16.4%
Kings	14.3%	San Diego	17.8%	Ventura	16.3%
Lake, Mendocino	15.8%	San Francisco	17.0%	Yolo	20.9%
Los Angeles	20.8%	San Joaquin	15.4%		

Source: Estimates from the 2017-2019 CPM combined.

**Poverty remains higher among children, seniors, Latinos, and less-educated adults.**

Poverty rates vary dramatically across demographic groups. In 2019, adults 65 and older (18.0%) and children (17.6%) had higher rates of poverty than adults age 18–64 (15.6%). The poverty rate for immigrant Californians was 21.6%, compared to 14.4% for non-immigrants, and poverty among undocumented immigrants was 35.7%. More than one in five (21.4%) Latinos lived in poverty, compared to 17.4% of African Americans, 14.5% of Asian Americans/Pacific Islanders, and 12.1% of whites. Though the Latino poverty rate has fallen from 30.9% in 2011, Latinos remain disproportionately poor—comprising 51.6% of poor Californians but only 39.7% of the state population. Poverty was 7.2% among college graduates age 25–64 and 29.1% among adults age 25–64 without a high school diploma.

**Most poor families in California are working.** In 2019, nearly 80.0% of poor Californians lived in families with at least one working adult, excluding families made up of adults age 65 and older. For 46.8% of those in poverty, at least one family member reported working full time for the entire year, while 32.4% had a family member who worked part time and/or part of the year.

**Recommendations from the “Ending Poverty in California: A Blueprint for a Just and Inclusive Economy” Report.** The following summaries are from the EPIC Report across institutions that are “predistributional” and “redistributional,” explained further in the report, and excerpted below:

This evidence points very directly to a two-pronged approach in which we proceed by (a) rebuilding our upstream institutions (e.g., the labor market) that generate inequities, and (b) rebuilding our downstream institutions (e.g., the safety net) that are intended to remediate inequities but that, to date, have failed to fully do so. We will show that enduring change and shared prosperity rests on combining these upstream and downstream reforms and allowing them to adjust to one another.

- The first step, that of institutional overhaul, entails reforming the institutions that create poverty and other inequities. This means rebuilding the state’s labor markets, housing markets, justice system, and wealth-generating institutions. We will refer to such institutional overhaul as “predistributional” because it takes on poverty and inequities at their upstream sources and thus reduces the amount of inequality that then needs to be addressed via redistribution.
- The second step, that of redistributional overhaul, rests on the premise that this institutional work will likely fall short and that we must also engage in aggressive adjustments to correct for remaining inequities. These “after-the-fact” adjustments must not only be large enough to eliminate all residual inequities but must also be delivered in respectful and dignity-enhancing ways ... rather than in ways that reinforce the great many tropes that blame or “other” the very people who have been harmed by our institutions.

## Summary of Safety Net Recommendations

### Support Overlooked Populations

**Support undocumented and mixed-status households:** Include undocumented and mixed-status households in safety net programs by reforming eligibility rules or providing parallel state-funded programs

**Support households without workers:** Include households without any workers or with only part-time workers in safety net programs by reforming eligibility rules or providing parallel state-funded programs

**Support adults not living with children:** Increase safety net supports for adults not living with children

**Provide guaranteed income:** Supplement existing safety net supports with guaranteed income to close gaps and ensure a minimum income floor

### Reduce Transaction Costs

**Eliminate dignity-stripping and time-consuming barriers to support:** Soften the destructive effects of federal “make work” program requirements

**Enhanced coordination:** Coordinate requirements, referrals, and caseworker training across safety net programs

**Data integration and automation:** Implement data integration and alignment and data sharing across safety net programs ... thus making it possible to automate application and recertification (e.g., prefill forms, automate income documentation and benefits calculation, trigger automatic applications for individuals who are likely to be eligible)

**Unified delivery system:** Deliver benefits through a single integrated system

**Remove financial barriers:** Remove financial barriers to accessing support by reducing costs of internet access and by providing free assistance for tax preparation and ITIN application

### Ensure Universal Workplace Benefits

**Upgrade paid family leave program:** Improve state paid family leave by increasing the wage replacement rate for low-wage employees, increasing weeks of job protection and leave, and bolstering the program’s finances

**Portable benefits:** Improve portable health insurance benefits with expanded eligibility and enhanced public subsidies (via enhancements to Medi-Cal and Covered California). Improve portable retirement benefits with expanded eligibility and public subsidies (building on CalSavers)

## Summary of Recommendations for Reducing the Wealth Gap

### Reduce the Wealth Gap at Birth

**Baby bonds:** Provide baby bonds to children in families with low incomes (without restrictive limitations on uses)

### Expand Opportunities to Build Wealth

**Increase opportunities for homeownership:** Expand programs providing homebuyers with loans and down payment assistance, expand self-help housing plans, and expand shared equity programs. Change zoning in ways that open up new opportunities to build wealth among people of color.

**Increase opportunities for entrepreneurship and small business ownership:** Provide seed grants, loans, and technical assistance for low-income small business owners and microentrepreneurs

### Eliminate Disincentives and Barriers to Building Wealth

**Eliminate safety net asset tests:** Eliminate all asset tests in safety net programs

**Regulate predatory financial services:** Strengthen and enforce consumer protection laws for “fringe” financial services and tax preparation

**Provide a public bank option:** Establish a public banking option via the proposed CalAccount and/or the proposed U.S. Postal Service bank. Provide free tax preparation (see Safety Net proposals).

**End state interception of debt:** End the state diversion of low-income tax credits to cover debts (and interest charges) and the use of such diversions to cover government costs

## Summary of Employment Recommendations

### Eliminate Labor-Supply Barriers

**Address child care bottleneck:** Increase access to and quality of child care by (a) increasing state subsidies and reforming financing, (b) expanding and upgrading child care facilities, (c) investing in child care training, (d) improving the child care data infrastructure, (e) coordinating across programs and systems, (f) raising child care worker pay and improving working conditions, and (g) empowering child care workers

**Upgrade paid family leave:** Improve the state's paid family leave program by (a) increasing the wage replacement rate for low-wage employees, (b) increasing the number of weeks of job protection and leave, and (c) bolstering the program's finances (see Safety Net section)

**Increase unemployment benefits for low-wage workers:** Increase the wage-replacement rate for low-wage workers by raising the taxable wage base and linking it to the maximum wages that are insured.

### Enhance Education and Training

**Increase access to high-quality early childhood education:** Expand the supply of high-quality education by increasing state subsidies, expanding facilities, and improving child care worker pay and working conditions. Improve educational quality by investing in child care training and infrastructure.

**Expand sectoral training programs:** Increase the number of openings in sectoral training programs

**Expand subsidized employment programs:** Expand support for subsidized employment and trial enhanced forms of subsidized employment that reach out to new subpopulations and that train for jobs with prospects for rapid career advancement

**Experiment with new approaches:** Pilot new tax credits that subsidize training (as well as employment) and new models of real-time data-driven casework advising and mentoring

### Empower Workers

**Advocate for labor law reform:** Advocate for reform to federal labor laws that suppress the capacity of workers to organize and bargain collectively

**Sectoral bargaining:** Develop and pilot improved forms of sectoral bargaining

**Stakeholder models:** Develop and pilot stakeholder models of corporate governance

### Protect Workers

**Upgrade enforcement:** Fund enforcement agencies and support "co-enforcement" partnerships with unions and other worker organizations

**Improved regulation:** Expand protections for domestic workers and independent contractors



## Summary of Housing Recommendations

### Expand Affordable Housing Supply

**Commit to robust supply-side interventions:** Ensure a rapid and substantial increase in the supply of affordable housing through streamlining, reforming zoning and incentivizing development, enforcing affordable housing targets, and increasing direct funding to develop, preserve, and rehabilitate affordable housing

### Protect Housing-Insecure Households

**Assist those at risk:** Protect struggling renters by (a) providing rental subsidies and emergency rental assistance, (b) bolstering tenant legal protections in just cause, rent cap, unlawful detainer, and owner move-in laws, and (c) increasing legal aid for tenants (including guaranteeing a right to counsel for low-income tenants facing eviction)

**Provide swift assistance to those who are homeless:** Ensure homelessness is brief, rare, and non-recurring by supporting robust local services that provide immediate permanent housing, supportive housing, dedicated vouchers and affordable units, shallow rent subsidies, and housing subsidy pools

## Summary of Justice System Recommendations

### Decriminalize “Quality of Life” Offenses

**End the criminalization of poverty and homelessness:** Eliminate or rewrite laws that have the effect of criminalizing poverty and homelessness. Deprioritize enforcement of “quality of life” crimes.

**Expand behavioral health services:** Prevent criminalization of behavioral health challenges by expanding availability, accessibility, and coordination of behavioral health services

### End Practices Targeting Black and Brown Individuals

**Deliver prevention programs with non-police personnel:** Invest in non-police interventions shown to reduce crime (e.g., outreach workers, jobs for youth, improved neighborhood quality)

**Sentencing and bail reform:** Hold firm on sentencing and bail reforms that reduce incarceration

**Reform disparity-generating sentencing:** Reform sentencing practices that contribute to racial disparities by reforming parole, ending mandatory minimum sentences for nonviolent crimes, expanding “second look” policies, and narrowing the use of sentencing enhancements

### Provide Meaningful Second Chances

**Improved reintegration programming:** Expand high-quality educational opportunities during incarceration, provide pre-release enrollment in safety net programs, and provide post-release housing support and employment support

**Criminal record reform:** Expand expungement of criminal records, and broaden and enforce restrictions on use of criminal records by landlords and employers

**Debt forgiveness and payment interception reforms:** End collection of fines and fees imposed on individuals who have no realistic ability to repay, and end state diversion of refundable tax credits and child support payments to cover government costs and debts (see Wealth above)

<b>STAFF COMMENTS AND QUESTIONS</b>
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This informational item is intended to provide the level-setting and contextualization for discussion around the core safety net programs featured in this agenda.

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**Staff Recommendation:** The Chair and Subcommittee may wish to ask for presenters to continue to engage with the Assembly as we, together with the Senate and the Administration, build the 2022 Budget to assure that it continues to take meaningful, critical steps to reduce and ultimately end poverty in the State of California.

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**5180 DEPARTMENT OF SOCIAL SERVICES****ISSUE 2: CALWORKS – GOVERNOR’S PROPOSALS AND OVERSIGHT OVER KEY PROGRAM IMPROVEMENTS****PANELISTS AND QUESTIONS ASKED OF EACH PRESENTER**

Panelists have been asked to specifically answer the questions below as listed for each individual panelist in their five-minute maximum presentation to the Subcommittee.

- 1. Jennifer Hernandez, Family Engagement and Empowerment Division Deputy Director, California Department of Social Services**
- 2. Kristina Meza, CalWORKs and Family Resilience Branch Chief, California Department of Social Services**
  - How does the Administration see the role of CalWORKs in its overall anti-poverty strategy?
  - What are the recent trends in CalWORKs caseload, application denials, and exit rate? What are the department’s concerns about take-up rate in the program for families eligible and not enrolled in this program?
  - The budget proposes a reduction of \$55 million to eligibility and administration funding for counties, yet caseload is expected to increase by 12.6 percent. What is the reason for the reduction in eligibility administration funding when the caseload is expected to increase?
  - Can DSS provide an update on the status of the CalOAR workgroup and will the report be released by April 1, 2022?
- 3. Jenean Docter, Finance Budget Analyst, Department of Finance**
  - Please provide any additional information on the issue.
- 4. Ryan Anderson, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office**
  - Please provide any additional information on the issue.
- 5. Shimica Gaskins, President and CEO, GRACE/End Child Poverty CA**
  - What more should be done to further reduce child poverty in California?
  - What is the most critical goal for CalWORKs grants and why?
  - What can be done to ramp up participation in CalWORKs home visiting and why is this important?
- 6. Jennifer Greppi, Lead Chapter Organizer, Parent Voices CA**
  - How can CalWORKs be made more accessible so that families in crisis can easily reach and enroll in the program?
  - How can CalWORKs be improved for family stabilization?



- What role do work requirements play in the program and in the lives of families, and what can California do to promote dignity and respect for the CalWORKs participant community?

**7. Mike Herald, Legislative Advocate, Western Center on Law and Poverty**

- The state and federal governments provided many forms of administrative relief during the pandemic that have ended or will end soon. Do some of these administrative rules need to be extended to help families recover from the pandemic and to help families access benefits and services?
- We have heard a lot about declining CalWORKs caseloads. What is the current percentage of eligible families participating in CalWORKs and how does it compare to participation rates for CalFresh and Medi-Cal?
- What are some of the things that need to be done to increase the number of families participating in the full array of CalWORKs program benefits?

**8. Cathy Senderling-McDonald, Executive Director, County Welfare Directors Association of California**

- What are county human services agencies seeing “on the ground” with respect to CalWORKs caseload trends?
- How will county human services agencies manage the reduction to eligibility funding? Is the eligibility function really overfunded?

<b>BUDGET ISSUE</b>
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**Governor’s Proposal.** The Governor’s budget includes \$6.6 billion for the CalWORKs program in 2022-23. This amounts to a net increase of \$277.7 million compared to the 2021 enacted budget. The budget proposes a notable increase in the amount of General Fund going towards CalWORKs (77 percent), although the state still accounts for a fairly small share of overall program costs (19 percent).

**CalWORKs Budget Summary**

All Funds (Dollars in Millions)

	2021-22 Revised	2022-23 Proposed	Change From 2021-22	
			Amount	Percent
<b>Number of CalWORKs cases</b>	<b>353,974</b>	<b>398,409</b>	<b>44,435</b>	<b>13%</b>
<b>Cash grants<sup>a</sup></b>	<b>\$3,457</b>	<b>\$3,880</b>	<b>\$423</b>	<b>12%</b>
<b>Single Allocation</b>				
Employment services	\$1,138	\$1,182	\$44	4%
Cal-Learn case management	15	18	3	17
Eligibility determination and administration	679	624	-55	-8
Subtotals	(\$1,832)	(\$1,824)	-\$8	(-)
<b>Stage 1 child care</b>	<b>\$384</b>	<b>\$451</b>	<b>\$68</b>	<b>18%</b>
<b>Other allocations</b>				
COVID-19 relief payments	\$203	—	-\$203	—
Home Visiting Program	89	\$97	8	9%
Housing Support Program	285	285	—	—
Other	313	314	1	—
Subtotals	(\$889)	(\$695)	-\$194	-(22%)
<b>Other<sup>b</sup></b>	<b>\$5</b>	<b>\$7</b>	<b>\$2</b>	<b>41%</b>
<b>Totals</b>	<b>\$6,567</b>	<b>\$6,857</b>	<b>\$291</b>	<b>4%</b>

<sup>a</sup> Does not include the cost of an estimated 7.3 percent grant increase funded by certain realignment revenues, which the Governor's budget projects beginning in October 2022. We roughly estimate this would increase cash grants by about \$200 million in 2022-23.

<sup>b</sup> Primarily includes various state-level contracts.

The Governor's budget also includes the following within the CalWORKs program:

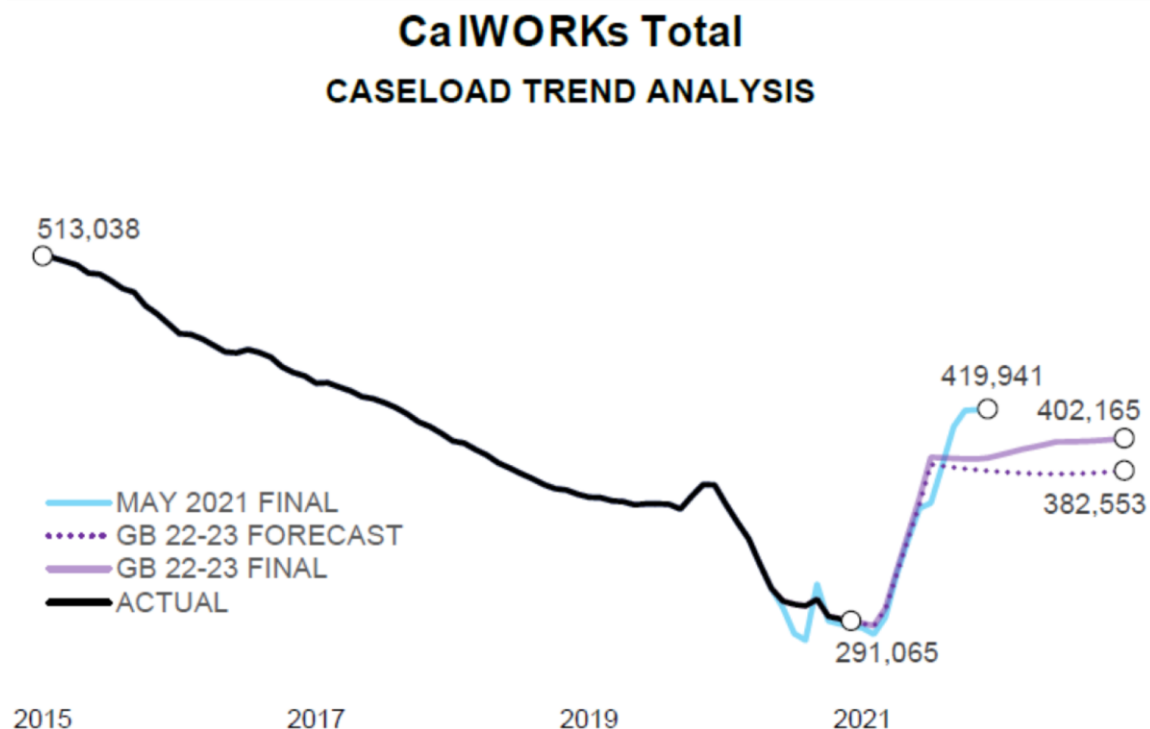
- A projected 7.1 percent increase to CalWORKs maximum aid payment levels, at an estimated cost of \$200.7 million, funded entirely by the Child Poverty and Family Supplemental Support Subaccount.
- \$36.5 million in 2021-22 and \$80.5 million in 2022-23 in CalWORKs benefits, employment services, and child care for 20,000 Afghan arrivals (adults with children), beginning September 2021.

**Background.** California Work Opportunities and Responsibilities to Kids (CalWORKs), the state's version of the federal Temporary Assistance for Needy Families (TANF) program, provides cash assistance and welfare-to-work services to eligible low-income families with children. CalWORKs is funded through a combination of the federal TANF block grant, the state General Fund, and other various funding allocations from the state, realignment funds, and other county funds.

Counties are reimbursed monthly for the costs of assistance payments, which are an entitlement. Administration and services costs are reimbursed to counties quarterly. The counties receive a Single Allocation which combines the funding for Eligibility Administration, Employment Services, Child Care, and Cal-Learn into one allocation that may be used interchangeably. All other funding for various program services is separately allocated.

**Caseload.** Before COVID-19, the total CalWORKs caseload had been declining along with California's improving economy (i.e. a decline in the unemployment rate). Between January 2021 and June 2021 CalWORKs cases declined by an average of 0.7 percent per month, however cases were 2.3 percent higher than the 2021 Budget Act projections. For the 2022-23 Governor's Budget, DSS projects the final caseload for 2021-22 will increase by 12.5 percent from the previous fiscal year, and the final caseload for 2022-23 will increase by 12.6 percent.

The 2022-23 Governor's Budget caseload assumes an increase in caseload due to the expiration of unemployment insurance (UI) benefits in September 2021. The estimated caseload impact due to the expiration of UI reflects the most recent available data from the Employment Development Department (EDD). EDD estimates that unemployment benefits expired for 2.2 million Californians in September 2021.



**Other Programs.** Other programs under the CalWORKs umbrella include Cal-Learn, the CalWORKs Homeless Assistance Program (HAP), the CalWORKs Housing Support Program (HSP), the Family Stabilization Program, and the CalWORKs Home Visiting Program. Cal-Learn provides special supportive services and intensive case management for pregnant and parenting teens. The CalWORKs HSP and HAP provide services to help house CalWORKs families. Both of these programs will be discussed in more detail under Issue 5 in this agenda. The Family Stabilization program provides services in addition to a county's welfare-to-work program for families experiencing a crisis. Services include behavioral health, domestic violence, and other treatment for family members, non-medical outpatient drug treatment, emergency shelter, rehabilitative services, and/or substance abuse counseling and treatment.

The CalWORKs Home Visiting Program is a voluntary program administered by participating counties to support positive health, development, and well-being outcomes for pregnant and parenting individuals, families, and infants born into poverty.

**Child Poverty and Family Supplemental Support Subaccount.** The Child Poverty and Family Supplemental Support Subaccount is used to fund CalWORKs assistance grant increases, as well as the repeal of the Maximum Family Grant (MFG) rule, which took effect January 1, 2017. In conjunction with the Governor's Budget in January and the annual May Revision, the Administration estimates the total amount of funding that will be in the subaccount. If that amount is not enough to fully fund the costs of all the CalWORKs assistance grant increases already provided plus the MFG repeal, the state General Fund makes up the difference. If there is more funding in the subaccount than is needed to fund all the CalWORKs assistance grant increases and the MFG repeal, then an additional grant increase is triggered that equals an amount that the available funding is estimated to support.

**Previous Grant Increases.** The 2018 budget increased the maximum aid payment (MAP) amounts for CalWORKs recipients by 10 percent effective April 1, 2019, and included \$90 million in 2018-19 and \$360 million annually thereafter. Trailer bill language also stated the intent of the Legislature to provide future grant increases in 2019-20 and 2020-21 to increase grants to no less than 50 percent of the federal poverty level (FPL). The FPL is a measure of income issued by the federal government each year to determine eligibility for programs and benefits. The 2022 FPL for a family of three living in the United States is \$23,030 annually and the 2021 FPL for a family of three is \$21,960; 50 percent of the 2022 amount is \$11,515.

The 2019 budget included \$331.5 million in 2019-20 and \$441.8 million annually thereafter to increase MAP amounts so grants for assistance units (AUs) of one person were at 50 percent of the 2019 FPL. Grants for all other AU sizes were increased to no less than 47 percent of the 2019 FPL. The 2021 Budget Act included \$141.9 million in 2021-22 to reflect a 5.3 percent increase to CalWORKs MAP levels.

**The Goal of Grant Exceeding Deep Poverty for AU+1.** Monthly CalWORKs grant amounts are set according to the size of the AU. The size of the AU is the number of CalWORKs-eligible people in the household. Grant amounts are adjusted based on AU size, so larger AUs are eligible to receive a larger grant amount to account for the increased financial needs of larger families. In about 35 percent of CalWORKs cases, everyone in the family is eligible for CalWORKs and therefore the AU size and the family size are the same. In the remaining 65 percent of cases, though, one or more people in the family are not eligible for CalWORKs and therefore the AU size is smaller than the family size.

Most commonly, people are ineligible for CalWORKs because they: (1) exceeded the lifetime limit on aid to adults; (2) currently are sanctioned for not meeting some program requirements; or, (3) receive Supplemental Security Income/State Supplementary Payment (SSI/SSP) benefits (state law prohibits individuals from receiving both SSI/SSP and CalWORKs). Additionally, many individuals are ineligible due to their immigration status. Undocumented immigrants, as well as most immigrants with legal status who have lived in the United States for fewer than five years, are ineligible for CalWORKs.

Due to this, it has become commonly noted that the AU+1 having a grant level that is above deep poverty (again, 50 percent of FPL) should be the goal to assure that all children are living above this standard. If only AU size is taken into account, for some large portion of the caseload, the AU will not sufficiently count all people in the family, and children in those families will continue to live below 50 percent of FPL.

The tables below show how the proposed grant increase would impact grants in both high-cost and low-cost counties, as well as the share of the 2022 FPL for the AU plus one.

Low-Cost Counties						
Before 7.1 Percent Increase				After 7.1 Percent Increase		
AU Size	Amount	As Share of FPL		Amount	As Share of FPL	As Share of FPL, AU+1
1	\$548	49%		\$587	52%	38%
2	696	46		745	49	39
3	878	46		940	49	41
4	1,060	46		1,135	49	42
5	1,243	46		1,331	49	43

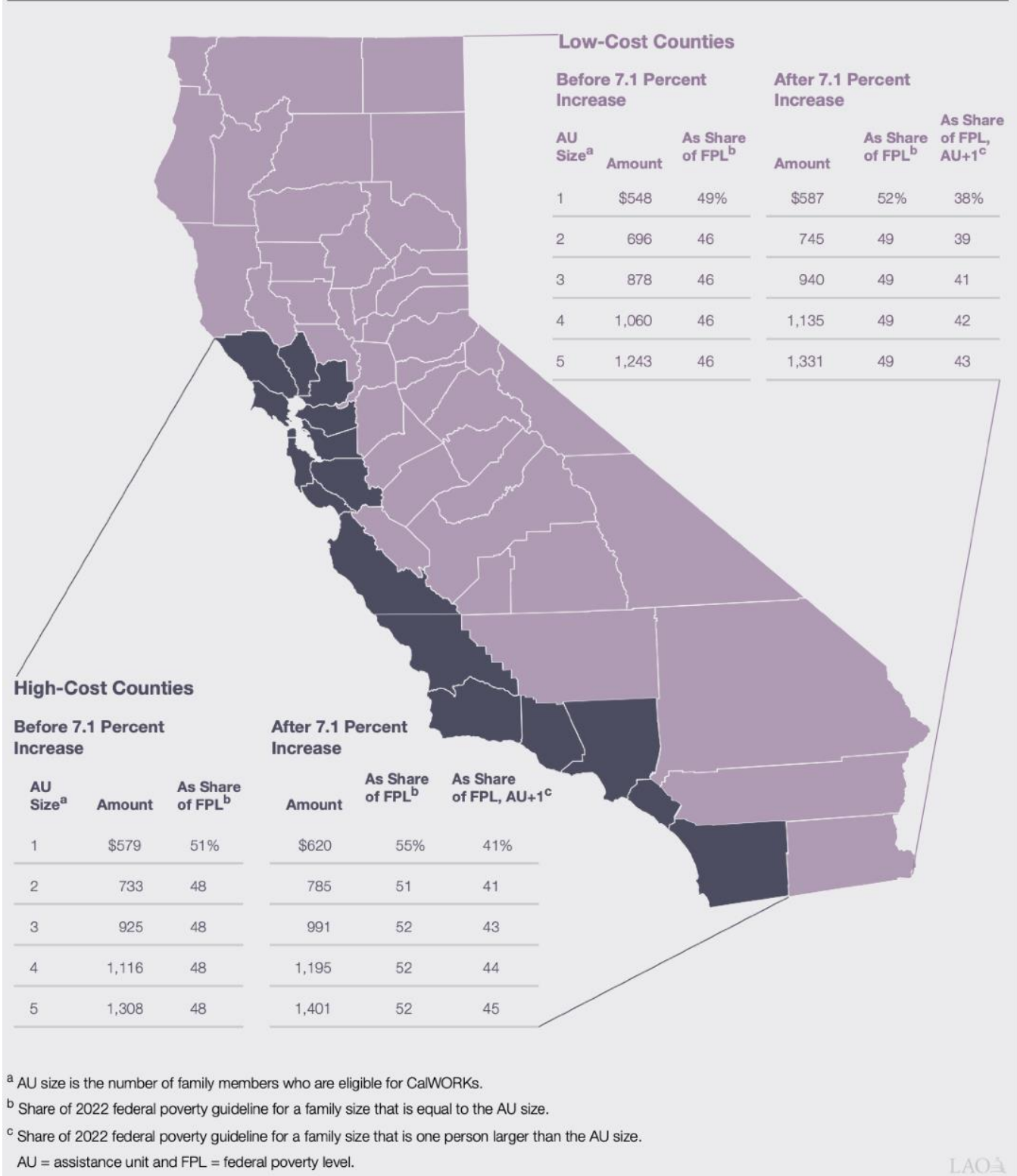
High-Cost Counties						
Before 7.1 Percent Increase				After 7.1 Percent Increase		
AU Size	Amount	As Share of FPL		Amount	As Share of FPL	As Share of FPL, AU+1
1	\$579	51%		\$620	55%	41%
2	733	48		785	51	41
3	925	48		991	52	43
4	1,116	48		1,195	52	44
5	1,308	48		1,401	52	45

The map on the following page was provided by the Legislative Analyst's Office, showing grant amounts in high and low-cost counties, against the FPL, and how much the grant would need to increase to meet or exceed 50 percent of the FPL so that all children served in the CalWORKs program can be declared to be living "above deep poverty."

It should of course be noted that FPL is a low standard given California's cost of living, and the California Poverty Measure (CPM) is a more advanced tool to assess income against costs of living. However, given the current state of the grants, FPL and deep poverty (50 percent of FPL) have become the near-term milestone to reach as soon as possible. The 2018 budget included language stating the intent of the Legislature to provide future grant increases so that grants are no less than 50 percent of the FPL for the family size that is one greater than the assistance unit. The state has not reached this goal.

## Governor's Budget Includes 7.1 Percent Increase to CalWORKs Grants

As Shown, for CalWORKs Families With No Other Income



**OVERSIGHT ISSUE**

The following is from the LAO.

**2021-22 Budget Act Made Several Changes to CalWORKs Program, All of Which Still Appear on Schedule.**

Among the most notable changes made to CalWORKs in the most recent budget are:

- Augmented the single allocation by \$68.3 million above its normal, caseload-determined amount.
- Increased the earned income disregard for applicants (or the amount CalWORKs applicants can earn before further income effects their eligibility for the program) from \$90 to \$450 per month. (The 2022-23 budget includes \$79.5 million General Fund to implement this change starting in March 2023.)
- Used \$203 million in federal funding to provide a one-time pandemic relief payment of \$640 to each CalWORKs family in July 2021.
- Effective January 1, 2022, increased the amount of child support that could be “passed through” to CalWORKs families from \$50 to \$100 a month for small families, and from \$50 to \$200 for larger families (those with two or more children). (Under state and federal law, additional child support payments made beyond this pass-through level are retained by the state as reimbursement for the state and federal costs of CalWORKs.)
- Provided \$3 million in 2021-22 and an additional \$10 million for 2022-23 to conduct racial equity and implicit bias trainings for county-level CalWORKs staffers. These trainings commenced in November 2021.
- Increased the additional monthly stipend provided to pregnant women on CalWORKs from \$47 to \$100, and also allowed women to become immediately eligible upon verification of their pregnancies (as opposed to waiting until the second trimester). The eligibility change occurred on July 1, 2021, and the enhanced stipend is scheduled to begin May 1, 2022. (In 2022-23, the Governor includes \$10.6 million for these changes.)
- Restricted counties from collecting older overpayments made to CalWORKs recipients (specifically, overpayments that are more than two years old). Because this change is scheduled for July 1, 2022, the Governor’s budget includes \$2 million for this purpose.

The table on the following page, tracking some of these recent investments, was provided by DSS.

Policy	Description/Implementation Status	Total Amount
Applicant Earned Income Disregard Increase	An applicant family is not eligible for aid under the CalWORKs program unless the family's income, exclusive of the first \$90 of earned income for each employed person in the family, is less than standard income limits. This rule is known as the applicant Earned Income Disregard (EID). In accordance with AB 135, <b>effective July 1, 2022</b> , that amount will increase from \$90 to \$450, aligning closer to the Earned Income Disregard for recipients.	The budget includes \$1.0 million in FY 2021-22 for automation, and \$79.5 million in FY 2022-23 for CalWORKs assistance, services, and child care.
Pregnancy Special Needs Payment Increase and Eligibility	<b>Effective May 2022</b> , the Pregnancy Special Need (PSN) payment, a supplement provided to pregnant CalWORKs recipients, will increase from \$47 to \$100 per month. <b>Effective July 2022</b> , CalWORKs eligibility will expand to all pregnant adults otherwise eligible for CalWORKs case aid and services, including the PSN.	The budget includes \$421,000 in FY 2021-22 for the 2 months of increased pregnancy special needs payments from \$47 to \$100 and automation. FY 2022-23 includes \$11.4 million for assistance and services.
Move to 60-Month Time Limit	<b>Effective May 2022</b> , the CalWORKs Maximum Time Limit will increase from 48-month to 60-months. As a reminder, time clocks are currently on pause during the pandemic and will begin to "tick" upon implementation of this policy. <b>Examples:</b> <ul style="list-style-type: none"> <li>○ If you are an adult who is currently getting CalWORKs for yourself: You do not have to do anything. Keep reporting the way the county told you to report. If you want to know how many months of CalWORKs you have used, check the last time on aid notice you got or ask the county.</li> <li>○ If you are a timed-out parent who got less than 60 months of CalWORKs and someone in your Assistance Unit (AU) gets CalWORKs: If you live in the home and are the parent of a child who gets CalWORKs or Supplemental Security Income (SSI), you will be automatically added back to the AU on May 1, 2022, if you are eligible. You do not need to contact the county to be added back to the AU.</li> </ul>	The budget includes \$36.2 million in FY 2021-22 for assistance, services, admin, and automation, and \$164.4 million in FY 2022-23 for assistance and services.
Family Reunification	The continuation of aid and services will promote prevention of foster care placement and support the reunification of CalWORKs families.	The budget includes \$9.2 million to provide an additional six months of cash aid and services, including the continuation of child care services for the child, to the parent(s) of children who have been removed from the home by Child Welfare Services <b>effective July 1, 2022</b> in accordance with AB 135.



Afghan Humanitarian Parolee Support	Through the Afghanistan Supplemental Appropriation Act, 2022, Afghan humanitarian parolees are now eligible to receive federal TANF benefits, amongst other federal benefits.	Includes \$36.5 million in FY 2021-22 and \$80.5 million in FY 2022-23 in CalWORKs benefits, employment services, and child care for an anticipated 20,000 Afghan arrivals (individuals including adults with children), beginning in September 2021.
Statewide Implicit Bias Training	The Department of Social Services has started to engage with stakeholders to support this effort and a formal implementation plan will be released to Legislature in December.	The budget included \$3 million to support the training for CalWORKs county staff on racial equity and implicit bias for FY 2021-22 and \$10 million for FY 2022-23.

<b>STAFF COMMENTS AND QUESTIONS</b>
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The Subcommittee may consider asking DSS for the following:

1. Request an estimate of the funding required to bring all CalWORKs grants for all AUs+1 above 50 percent of FLP, or above deep poverty (after the 7.1 percent increase expected to take place on October 1, 2022).
2. Request the statewide take-up rate for CalWORKs, so that the state can monitor, evaluate, and make adjustments related to program access and retention. Reporting on this take-up rate at regular intervals would be helpful to provide a metric that can be used long-term.
3. Request that DSS be prepared to speak to the following at future hearings:
  - A. Interaction and intersectionality between CalWORKs and Preventive Work to Secure Child Welfare to keep biological families intact, toward reduction of racial disparities in child welfare removals. This discussion will occur at the March 9, 2022 hearing.
  - B. Recommendations coming out of the CalOAR Policy Alignment report, due April 1, 2022, particularly those that are most critical and ripe for action in the 2022 Budget. This discussion will occur at the April 6, 2022 hearing.
4. Request an analysis from DSS regarding the Single Allocation eligibility reduction and the impacts it will have on other program components if the reduction takes effect. The Subcommittee may wish to ask for the LAO's assistance with facilitating communication and clarification of this request between the Subcommittee and the Administration.

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**Staff Recommendation:** The Chair and Subcommittee may consider making requests as suggested in the agenda.

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**5175 DEPARTMENT OF CHILD SUPPORT SERVICES****ISSUE 3: CHILD SUPPORT SERVICES – GOVERNOR’S PROPOSALS AND OVERSIGHT OVER KEY PROGRAM IMPROVEMENTS****PANELISTS AND QUESTIONS ASKED OF EACH PRESENTER**

Panelists have been asked to specifically answer the questions below as listed for each individual panelist in their five-minute maximum presentation to the Subcommittee.

- 1. David Kilgore, Director, California Department of Child Support Services**
- 2. Kristen Donadee, Chief Deputy Director, California Department of Child Support Services**
  - The Governor’s budget includes a plan to waive recoupment of assistance costs for families formerly receiving CalWORKs. Why did the Administration choose to only waive recoupment for families formerly receiving assistance? What would it cost to waive recoupment for families currently receiving assistance as well? Does the administration expect collections or the number of paying cases to increase as a result of the full pass-through for families formerly on CalWORKs?
  - The department anticipates a decrease of \$136 million in assistance collections and a decrease of \$14.7 million in non-assistance collections. To what are these decreases attributable?
  - Describe how the department has collaborated with stakeholders, including the Judicial Council, in developing the proposed Final Rule trailer bill language proposal.
  - How have LCSAs used the additional funding provided in the 2021 Budget Act? Has that funding been used to hire additional staff or to implement new programs?
  - Please provide an update on the collectability study funded in the 2021 Budget Act. Has work on that study begun? How has the department engaged stakeholders, including the Judicial Council, in this work?
- 3. Jaleel Baker, Finance Budget Analyst, Department of Finance**
  - Please provide any additional information on the issue.
- 4. Jackie Barocio, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office**
  - Please provide any additional information on the issue.
- 5. Mike Herald, Legislative Advocate, Western Center on Law and Poverty**
  - What is your perspective on California’s long-standing policy of only passing through part of child support payments to CalWORKs families? What is your feedback on the Governor’s proposal related to formerly assisted cases?
  - The state of Colorado has chosen to pass through all child support to TANF households. What have been the outcomes of this policy for families?

- 6. Anissa Florie, Parent Leader, Student Parents Are Re-imagining CalWORKs (SPRAC)**
- To enroll in CalWORKs, a family must agree to allow the state to receive the majority of child support and not the children. What impact did this policy have on your family?
  - What can the state do to make the child support system work better for your children and those of others?
- 7. Karen Roye, Director, San Francisco Department of Child Support Services**
- From where you sit, as the director of a huge bureaucracy, from an administrative standpoint, what would you need from the state to help you implement the Governor's proposal regarding the full pass-through for formerly assisted cases?
  - Please share your thoughts on specific strategies for promoting equity in the child support system and preventing inequities that may result from the current system?
  - What do you think the potential is for the child support system to play an expanded role in the anti-poverty continuum?
- 8. Sharon Wardale-Trejo, Director, Merced/Mariposa Regional Department of Child Support Services**
- How will the Governor's proposed trailer bill language recommending full pass-through of collections on formerly assisted child support arrears promote child and family stabilization?
  - How does finalization of the mandates of the federal final rule impact local child support operational programs and the communities we serve?
  - What impact will the Governor's budget have on the child support program's ability to promote child and family stabilization?

<b>BUDGET ISSUE</b>
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DCSS provides services to locate parents, establish paternity, and establish and enforce orders for financial and medical support. The Department is also responsible for oversight of county and regional local child support agencies (LCSAs) that work directly with families in the community.

**Department of Child Support Services  
Expenditures by Fund Source**

\* Dollars in thousands

Grand Total By Fund	Fiscal Year	
	2021-22	(Proposed Budget) 2022-23
General Fund	\$344,735	\$364,707
Federal Funds	\$586,094	\$691,716
Reimbursements	\$123	\$123
Child Support Collections Recovery Fund	\$167,619	102,424
<b>Total All Funds</b>	<b>\$1,098,571</b>	<b>\$1,158,970</b>

Significant proposals in the DCSS budget include:

- **Full “Pass-Through” Child Support Payments for Former CalWORKs Families.** The Governor’s Budget proposes a full “pass-through” of child support payments collected by the state for families formerly receiving CalWORKs. Under this change, the Department will waive its share of recoupment and estimates that \$93 million will be passed on to families, beginning in January 2023. Of that \$93 million, \$52.3 million are expected General Fund revenues. Approximately \$4.9 million is estimated for reimbursing county revenues that would have received these collections. Approximately 69,000 families would be impacted by the full pass-through proposal.
- **LCSA Funding Methodology.** The Governor’s budget includes \$59.1 million (\$20.1 million General Fund) for support of LCSAs.
- **Child Support Federal Final Rule Compliance Trailer Bill.** The Governor’s Budget includes trailer bill language to bring the state into compliance with federal rules.

**Pass-Through Trailer Bill Language.** The Department has proposed statutory changes associated with the pass-through proposal. The proposed language can be found on the Department of Finance website at: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/602>. The proposed language would require any child support collected to be passed through to a former recipient of aid. Additionally, the proposed language requires that any pass-through payments that cannot be delivered to a former aid recipient for six months shall be used to recoup aid. If former aid recipients make claims for the pass-through payment within twelve months of the payment being sent for recoupment, the payment shall be sent to the former aid recipient instead.

**State and Federal Recoupment of Public Assistance Costs.** Under federal law, a family receiving public assistance via TANF (which is the block grant that funds CalWORKs) must assign their rights to child support payments to the state. The state, through LCSAs, collects the child support payments on behalf of the custodial parent. The noncustodial parent must reimburse the state for any CalWORKs or foster care funds expended by the state, as well as an amount that is passed through to the custodial parent. A portion of a child support payment collected in a given month is passed through to the family, where families with one child receive up to \$100 per month and families with two or more children receive \$200.

When a family leaves the CalWORKs program, the family regains its rights to the child support payment. However, if the non-custodial parent has payments in arrears, the state continues collecting and retaining payments as reimbursement for costs associated with benefits paid to the family. The cumulative amount of assistance paid to a family which has not been repaid through assigned support collections is known as the unreimbursed assistance pool (UAP). When the UAP is paid in full, any continued child support is paid to the family.

The federal government allows states to waive their recoupment for public assistance costs. However, the state is required to reimburse the federal government for their recoupment share for currently assisted cases, but this is not required for formerly assisted cases. If the state

waives recoupment for formerly assisted cases and passes the entire collection to the family, the federal government will also waive its recoupment share.

**Collections.** The department anticipates a decrease of \$136 million in assistance collections and a decrease of \$14.7 million in non-assistance collections in 2022-23. From July 2021 to December 2021, the state collected \$92.2 million in child support payments on behalf of former CalWORKs families. The table below shows historical program collections from 2016-17 to 2022-23. Collections for both 2021-22 and 2022-23 are estimates.

	2016-2017	2017-2018	2018-19	2019-20	2020-21	2021-22 (estimated)	2022-23 (estimated)
Assistance Collections	\$412 million	\$410 million	\$398 million	\$454 million	\$462 million	\$414 million	\$320 million
Non-Assistance Collections	\$2 billion	\$2.1 billion	\$2.1 billion	\$2.3 billion	\$2.3 billion	\$2.1 billion	\$2.2 billion
Total	\$2.4 billion	\$2.5 billion	\$2.5 billion	\$2.7 billion	\$2.8 billion	\$2.5 billion	\$2.5 billion

**Arrears.** As of December 1, 2021, child support arrears totaled \$18.1 billion. Of that, \$6.6 billion was owed to government agencies and \$11.5 billion was owed to families. In 2020-21, the Department collected \$187 million in permanently assigned arrears on behalf of formerly assisted families, retained entirely as government recoupment of aid paid.

**Debt Reduction.** In May 2021, the Department implemented a new debt reduction program to replace its standard Compromise of Arrears Program (COAP). COAP was established to address uncollectible government-owed arrears. COAP considered a participant's ability to pay based on actual income but required repayment of at least ten percent of the outstanding arrears balance. The minimum repayment for the new debt reduction program is structured as follows:

- For agreements with a current support order and arrears, the minimum repayment consists of the 12-month value of court-ordered arrears and/or administrative arrears and two to five percent of gross monthly income (GMI) if income is above the cost-of-living for that region.
- For agreements with arrears only, the minimum repayment consists of the twelve-month value of all active court-ordered and administrative arrears or 0.5 to 2.5 percent of GMI determined by the income level compared to the cost of living.

For both COAP and the new debt reduction program, consistent payment of all active current support orders is required for the duration of the agreement. Note that the 2021 Budget Act included trailer bill language to cease enforcement of state-owed child support arrearages determined to be uncollectible.

**Federal Flexibility, Efficiency, and Modernization in Child Support Final Rule (Final Rule).** The federal Final Rule was published in December 2016 by the federal Office of Child

Support Enforcement. The Final Rule focuses on setting child support orders that are accurate, and based on the parent paying support's (PPS) ability to pay. The 2017 Guideline Review Report, issued by the Center for Families, Children, and the Courts from the Judicial Council of California reviewed California statutes for compliance with the Final Rule and issued a series of recommendations for statutory change. The Department and Judicial Council convened a workgroup in summer 2019 to review those recommendations and invite stakeholder input regarding proposed changes. Subsequently, AB 3314 (2020) was introduced. That bill included proposals developed by the 2019 workgroup and aimed to bring California into compliance with the Final Rule by September 2022. However, due to the COVID pandemic, the bill did not move forward. In light of the pandemic, the Department obtained an extension until September 2024 for compliance with the Final Rule. The proposed trailer bill can be found on the Department of Finance website at: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/603>.

**Specific Final Rule requirements the proposed trailer bill addresses include:**

- Requirements to consider known specific circumstances of the noncustodial parent. Currently, the statute requires LCSAs to presume the PPS can earn full-time minimum wage if income or income history is unknown, without the ability to alter the presumption based on the individual's known, specific circumstances.
- Ability to Consider Income History as a Known Specific Circumstance. There is currently no definition or qualification for "income history" as used in Family Code section 17400(d)(2), which leads to an inability to utilize income history in initial pleadings.
- Ability to Impute Income based on Earning Capacity in the Initial Pleadings. The proposed language would codify the factors that must be taken into consideration when imputing income based on earning capacity.
- Low-Income Adjustment or Self-Sufficiency Reserve. The proposed language would update the statute to align with the recommendations in the 2021 Guideline Review Report.
- Modification for Incarcerated Parents. The proposed language would codify requirements that states must not treat incarceration as voluntary unemployment, regardless of the type of crime committed.

**OVERSIGHT ISSUE**

The 2021 Budget Act made several investments in the child support program. Those investments included:

**Local Child Support Agency Funding.** \$56.1 million (\$19.1 million General Fund) ongoing to support Local Child Support Agency staffing and services.

**Child Support Collectability Study.** \$375,000 (\$127,500 General Fund) for the Department to conduct a study into the collectability of child support arrears.

**Local Child Support Courts and Child Support Funding.** \$23.8 million (\$8.1 million General Fund) ongoing to support the Child Support Commissioner and Family Law Facilitator program.

**Uncollectible Child Support Debt.** Trailer bill language that would, as of January 1, 2023, cease enforcement of state-owed child support arrearages that have been determined to be uncollectible. Enforcement would only cease provided that no reduction in aid or payment to a custodial parent would result.

**LCSA Funding.** The proposed 2019 Governor's Budget included an ongoing funding methodology for LCSAs. The proposed funding methodology increased funding by \$19.1 million in 2019-20, ramping up to \$57.2 million in 2021-22. However, in response to the expected budget impacts of the COVID-19 recession, the final 2020 budget reduced funding to 2018-19 budget levels, and the ongoing augmentation proposed in 2019 was not implemented. The 2021 budget raised funding levels to those proposed in the 2019 ongoing funding.

**Collectability Study.** Due to the number of cases that have an arrears balance, the Department requested funding for a collectability study in the 2021 budget. The study should assist the Department in collecting and analyzing data to determine if parents can pay their arrears and if the government debt can be reviewed and compromised or determined as uncollectible. The Department has indicated that this study will also assist in the implementation of the 2021 trailer bill language that would cease enforcement of state-owed arrearages determined to be uncollectible.

<b>STAFF COMMENTS AND QUESTIONS</b>
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The Subcommittee may consider asking DCSS for the following:

1. Request an estimate from DCSS regarding the proposal of passing through all child support to currently assisted caseload, including what automation and administrative concerns might impede this change for which planning and additional funding might be necessary. The Subcommittee may wish to ask for the LAO's assistance with facilitating communication and clarification of this request between the Subcommittee and the Administration.
2. Request a discussion to commence on which components of the Governor's proposed trailer bill language to implement the federal Final Rule are minimally necessary for state compliance to be reached, and which components are more discretionary and that could potentially, and more appropriately, be addressed through the policy committee process.

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**Staff Recommendation:** The Chair and Subcommittee may consider making requests as suggested in the agenda.

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## 5180 DEPARTMENT OF SOCIAL SERVICES

### ISSUE 4: CALFRESH, CALIFORNIA FOOD ASSISTANCE PROGRAM, AND EMERGENCY FOOD – GOVERNOR’S PROPOSALS AND OVERSIGHT OVER KEY PROGRAM IMPROVEMENTS

#### PANELISTS AND QUESTIONS ASKED OF EACH PRESENTER

Panelists have been asked to specifically answer the questions below as listed for each individual panelist in their five-minute maximum presentation to the Subcommittee.

#### 1. **Jennifer Hernandez, Family Engagement and Empowerment Division Deputy Director, California Department of Social Services**

- Are counties adequately funded to successfully administer the CalFresh program given rising caseloads, and recently, policy changes to expand and ease enrollment and retention? When will DSS begin working with counties to develop the new CalFresh budgeting methodology and what is the timeline?
- How did the Administration determine the \$50 million amount proposed for food bank funding in 2022-23? Will this augmented amount allow for food banks to operate for the entirety of the 2022-23 fiscal year in meeting current hunger needs?
- Please give an update on planning and automation activities related to the expansion of California Food Assistance Program (CFAP). How was the targeted population chosen and does this choice maximize the funding provided in the 2021 Budget?
- What is the status of the simplified application for older adults and individuals with disabilities? Has the department begun to work on its development?
- Please provide an update on the recommendations for a statewide telephone-based service model. How has the department consulted counties and other stakeholders to develop these recommendations? Since the current CalSAWS counties implement the telephonic business model by January 1, 2023, what is the Administration’s timeline for pursuing any needed funding and providing policy guidance?
- What is the status of the AB 79 Semi-Annual Report (SAR) Workgroup recommendations and what are next steps?

#### 2. **Justin Freitas, Principal Program Budget Analyst, Department of Finance**

- Please provide any additional information on the issue.

#### 3. **Ryan Anderson, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office**

- Please provide any additional information on the issue.

#### 4. **Cathy Senderling-McDonald, Executive Director, County Welfare Directors Association of California**

- Can you share the counties’ experiences with administration of the CalFresh program as the demand for food benefits continues and what is needed for counties to



successfully conduct the work? What is the CWDA feedback with regards to an additional year delay in development of the budgeting methodology?

- There continues to be new investments in the CalFresh program to increase and expand access and reduce churn. Can you share your thoughts whether this is moving the needle on program access and reducing churn to the program?
- Does CWDA have any reflections on DSS' statewide telephonic access recommendations?

**5. Shanti Prasad, Senior Policy Advocate, California Association of Food Banks**

- Please describe the consequences for CalFresh and food insecurity with the end of the federal Public Health Emergency declaration.
- What factors are impacting demand for food since the COVID-19 pandemic and what is the anticipated ongoing community demand?

**6. Betzabel Estudillo, Senior Advocate, Nourish California**

- How has the COVID-19 pandemic impacted immigrants' ability to access food?
- What are some barriers immigrants face when seeking to enroll in CalFresh/CFAP?
- What actions can the state take to address food insecurity in immigrant communities?

**7. Jake Brymner, Director of Government and External Relations, California Student Aid Commission (CSAC)**

- What is the scope of food insecurity among students in postsecondary education and how many students successfully access CalFresh?
- What are the most significant issues and factors that prevent students in postsecondary education from accessing and/or utilizing CalFresh benefits?
- What recommendations did the CSAC CalFresh Work Group identify to better connect students with CalFresh benefits?

**BUDGET ISSUE**

**Governor's Proposal.** The revised 2021-22 budget includes \$2.32 billion (\$789.1 million General Fund) for CalFresh administration. In 2022-23, the proposed budget includes \$2.34 billion (\$812.2 million General Fund), which represents a projected increase of \$355 million (\$178.9 million General Fund) from 2021-22. A total of \$44 million for federal fiscal years 2022 and 2023 in 100 percent federal funds is provided to California through the American Rescue Plan Act (ARPA) to supplement state administrative funding and improve business processes and technology.

The proposed 2022-23 budget also includes \$50 million one-time General Fund for food banks to mitigate the increase in food needs among food-insecure populations. The current base allocation for food banks is \$8 million, so this augmentation results in \$58 million for food banks for the budget year. DSS states that \$10 million per month is being utilized in state resources to meet food bank demands currently, as augmentations have been provided in recent budgets, but this additional funding does not extend past 2021-22.

In alignment with the 2021 Budget Act, the Governor's budget plans to expand the California Food Assistance Program (CFAP) for all California residents 55 or older regardless of immigration status and provides \$40 million in 2022-23 to continue making associated automation changes. This amount is intended to increase to \$113.4 million by 2025-26 (after a few years of providing benefits and increasing take-up). The Administration has indicated that, by 2025-26, it expects this expansion to reach about 75,000 individuals annually (for an estimated take-up rate of 60 percent).

**Background.** CalFresh is California's version of the federal Supplemental Nutrition Assistance Program (SNAP). SNAP is an entitlement program that provides eligible households with federally funded monthly benefits to purchase food and maintain adequate nutrition. The program is administered at the federal level by the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS). This includes the determination of eligibility standards and benefit levels. DSS is the designated state agency responsible for program oversight in California and each county is responsible for local administration and benefit delivery.

CalFresh food benefits are 100 percent federally funded. CalFresh administration costs are funded with fifty percent federal funds, thirty-five percent General Fund, and fifteen percent county funds, except for state-mandated program changes. Administrative costs for state-mandated program changes are funded with fifty percent federal funds and fifty percent General Fund. The California Food Assistance Program (CFAP) is funded 100 percent General Fund for both benefits and administrative costs.

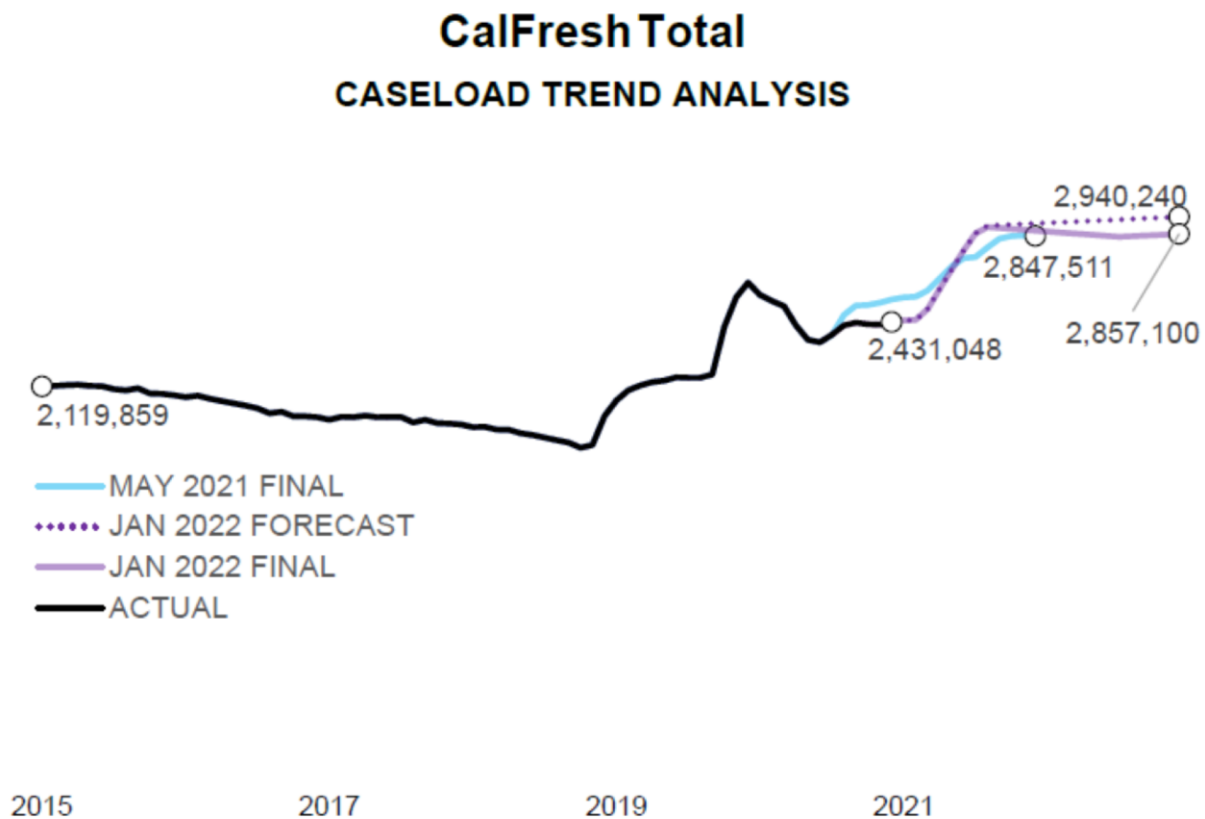
CalFresh food benefits are issued through an EBT card which cardholders can use at point-of-sale terminals authorized by FNS. Grocers and other retailers are paid directly by the federal government for the dollar value of purchases made with CalFresh food benefits.

**County Administration Funding.** The budgeting methodology to determine the amount of state funding provided to pay for its share of CalFresh administration costs is based on costs as they existed 20 years ago (in 2000-01) and is only funding about 60 percent of current county costs. The current methodology began when the state experienced a recession in the early 2000s and stopped providing annual cost-of-living adjustments (COLAs) as a way to reduce state costs. Since then, the state has provided funding for most, but not all, of the caseload increases over the past two decades (at early 2000s cost levels), but has given no COLAs to cover operational cost increases over time.

The 2020 Budget Act required the department, in partnership with counties, to update the budgeting methodology used to determine the annual funding for county administration of the CalFresh Program, beginning with 2021-22. The subsequent Budget Act delayed the development of this budgeting methodology to 2022-23. The Governor's Budget continues to propose delay of the implementation of the new methodology to 2023-24.

**Caseload.** In the last six months of 2020-21 (January 2021 – June 2021), the caseload has been increasing by an average of 0.7 percent each month. For the 2022-23 Governor's

Budget, DSS projects the final caseload for 2021-22 will increase by twelve percent from the previous fiscal year, and the final caseload for 2022-23 will increase by 4.7 percent.



**Emergency Allotments and Federal Funding.** In March 2020, California requested authority from the federal government to provide emergency allotments to CalFresh households not currently receiving the maximum benefit allotment. The emergency allotments raised each household's allotment to the maximum allowable based on household size. The request was approved by the federal government in March 2020 and has been extended monthly since then. The Administration has indicated that it will continue to request emergency allotments until the state of emergency is no longer in place. At the time of writing, this policy has been approved for extension until March 2022. Since March 2020, an average of approximately 1.9 million households have received an average of \$226 in emergency nutrition allotments each month.

As mentioned above, the state received \$44 million in federal funds via ARPA to supplement administrative funding. The Department is currently engaging counties, client advocates, and other stakeholders to determine a spending plan for this funding. For 2022, the federally approved plan includes race, equity, inclusion, and implicit bias training, expanded language access, and CalSAWS enhancements, among other items.

**EBT Online Purchasing.** While the capacity to purchase food online using EBT was planned before the pandemic, the onset of the pandemic hastened its buildout. On April 28, 2020, EBT online purchasing via Amazon and Walmart went live. On November 12 of the same year,

Albertsons and Safeway launched online purchasing for pickup and participating stores. The EBT SNAP card can now also be used to pay for groceries on Instacart who has expanded its vendors in California and now includes SaveMart, FoodMaxx, Lucky Supermarkets, ALDI, Food 4 Less, and Rancho San Miguel. On January 25, 2022, the “Sam’s Club Scan & Go” mobile application feature went live and allows its members to check out on their phone using EBT. As of January 31, 2022, customers have placed 13.5 million online transactions using EBT cards at Amazon, Walmart, and ALDI, SaveMart, Food 4 Less, Rancho San Miguel, and Safeway combined.

**Pandemic Electronic Benefit Transfer (P-EBT).** P-EBT is a federal program administered by the Department in collaboration with the California Department of Education (CDE). The program provides food benefits to ensure children continue to receive food assistance if unable to attend school or child care in person due to the pandemic. Only school-age children were eligible for the first iteration of the program (P-EBT 1.0) which covered the 2019-20 school year; children under six were made eligible in the second iteration (P-EBT 2.0). The P-EBT 1.0 Extension provided benefits for August and September 2020 and P-EBT 2.0 covered the 2020-21 school year. The P-EBT 3.0 will cover the 2021-22 school year; the plan is currently being finalized with CDE and will be submitted to USDA FNS for approval. The table below depicts outcome data for P-EBT 1.0.

Summary of Statewide P-EBT Data	Value
Total Eligible Children Issued P-EBT Benefits	3,738,746
Total P-EBT Benefits Issued	\$1,362,140,097
Total Automatically Eligible Children Issued P-EBT Benefits	2,256,807
Total Applicant Eligible Children Issued P-EBT Benefits	1,481,939
Total Cards Issued to Automatically Eligible Children <sup>i</sup>	1,640,403
Total Cards Issued to Applicant Children <sup>i</sup>	1,253,956
Total Applications Received (unduplicated)	1,374,413
Total Children Issued Full Benefits	3,719,015
Total Children Issued Prorated Benefits	19,723

\*Note that the data in this table only reflects P-EBT 1.0.

#### OVERSIGHT ISSUE

The 2021 Budget Act made several significant investments in CalFresh and other nutrition programs administered by DSS. Those investments and other provisions include:

- \$5 million General Fund in 2021-22 and \$40 million General Fund in 2022-23 to begin automation changes necessary to expand the California Food Assistance Program to individuals regardless of immigration status. The proposed 2022-23 Governor’s budget plans to expand the program for all California residents 55 or older regardless of immigration status. Trailer bill language associated with the 2021 Budget specified only

that the expansion would be age-based but did not identify which age ranges would first benefit.

- \$100,000 General Fund one-time to develop a CalFresh user-centered simplified paper application for older adults and people with disabilities. The budget also includes trailer bill language requiring the Department to develop the application by July 1, 2023.
- \$5 million General Fund in 2021-22, \$11 million General Fund in 2022-23, and \$10 million General Fund in 2023-24 for increased outreach and support to mitigate attrition from the Transitional Nutrition Benefit (TNB) program. The budget also included trailer bill language that extends the time for required documentation and information to be provided to restore discontinued benefits for the TNB Program to 90 days and maintains eligibility for all beneficiaries for two years by pausing discontinuances.
- Trailer bill language required the Department, in consultation with stakeholders, to develop recommendations to implement a fully telephone-based service model statewide.

**California Food Assistance Program (CFAP).** The CFAP provides food benefits for eligible noncitizens who meet all CalFresh eligibility criteria except for their immigration status. To be eligible for CalFresh, legally present noncitizens must have been in the country for five years, disabled, a member of certain refugee communities, under the age of 18, or over the age of 59. The CFAP serves all other legally present noncitizens. In 2020-21, CFAP benefits were \$69 million General Fund (\$165 average monthly per person), and administration costs were \$2.5 million General Fund. (In line with benefit augmentations for CalFresh, CFAP benefits also were temporarily expanded in response to COVID-19.) Fund were provided in the 2021 Budget to expand the CFAP program to more hungry Californians, with the determination about which age-based population to be made in the course of budget discussions in the current year.

**Simplifying CalFresh for Seniors.** Since 2017, DSS has participated in the federal Elderly Simplified Application Project (ESAP). It is a demonstration project that seeks to increase CalFresh participation among the elderly population by streamlining the application and certification process. As part of that project, California has waived annual recertification interviews, simplified the verification process, and allows for a thirty-six month certification period for eligible households, instead of twelve months. DSS was authorized by the FNS to continue operating the ESAP for another five years beginning October 1, 2021, and ending September 30, 2026. The new ESAP approval eliminates the periodic reporting requirement for ESAP households upon the completion of automation and confirmation of the policy effective date. The anticipated completion date for automation was January 1, 2022, with an anticipated policy effective date of March 1, 2022. The 2021 Budget Act sought to simplify access for California seniors and Californians with disabilities even further by requiring the Department to develop a simplified CalFresh application. The budget required the Department to develop this application by July 1, 2023.

**Supplemental Nutrition Benefit (SNB) and Transitional Nutrition Benefit (TNB) Programs.** In a similar effort to enroll more eligible seniors into the CalFresh program, the state expanded the CalFresh program to individuals receiving SSI/SSP in 2019. Before this, SSI/SSP recipients were not eligible for the program. The state also created the SNB and TNB programs. CalFresh households negatively affected by the expansion of CalFresh were eligible for the SNB and TNB programs. The SNB program provides state-funded nutrition benefits for households that include at least one SSI/SSP recipient and would have had their CalFresh benefits reduced when the SSI/SSP recipient is added to the household. The TNB program provides state-funded nutrition benefits for households that include at least one SSI/SSP recipient and would have become ineligible for CalFresh benefits when the SSI/SSP recipient is added to the household. The SNB and TNB programs were designed to “hold harmless” families that may have been adversely affected when CalFresh was opened up to SSI/SSP recipients.

Households eligible for the TNB Program were initially certified for one 12-month period. Eligible households were then recertified for additional six-month periods. The previous policy required that if a household loses TNB program eligibility for failure to provide the documentation or information required to determine continuing eligibility, TNB program eligibility may be restored without proration back to the original date of discontinuance if all documentation and information required to determine continuing eligibility is provided to the county within 30 days of the discontinuance from the TNB program. The 2021 Budget Act extended the recertification period to 12 months and increased the restoration period to 90 days. To allow time for the automation of the extension of the TNB restoration period, recertification for all TNB households was paused beginning in November 2021. As of September 2021, there were 2,707 households enrolled in the TNB program.

The following table tracking some of these recent investments was provided by DSS.

<b>Policy</b>	<b>Description/Implementation Status</b>	<b>Total Amount</b>
Elderly Simplified Application Project (ESAP) Application	To increase CalFresh access and retention, especially among older adults, people with disabilities, and people with limited English language skills, DSS is required by way of WIC Section 18900.3 to develop a new user-centric application for CalFresh applicants eligible for the ESAP in hard copy and release guidance in the form of an All County Letter (ACL) on or before July 1, 2023. The CalFresh and Nutrition Branch has partnered with the Research, Automation, and Data Division’s Human-Centered Design Unit to facilitate the planning, development, and implementation of the new application. Several internal meetings have taken place to coordinate and develop a process for engaging partners. Within the next few months, DSS will be convening meetings with several external stakeholders to get their input on the simplified application.	N/A
Telephone-Based Application	County Welfare Departments (CWDs) are required to offer households the option to complete an application/recertification interview by phone and the option to capture the household’s signature by telephone using any method of electronic signature. This is to be implemented no later than January 1, 2023 for CalSAWS counties and no later than January 1, 2024 for CalWINcounties.	Pending Automation Estimates

Transitional Nutrition Benefit (TNB) Recertification and Pause	All TNB recertifications are paused as of November 2021 (See <a href="#">ACL 21-131</a> ). This pause will allow time for the Statewide Automated Welfare System (SAWS) to automate the new 12-month recertification period and 90-day restoration periods introduced by Assembly Bill (AB) 135 (Chapter 85, Statutes of 2021). The pause will continue for two years, or until the SAWS can perform the necessary automation, whichever date is later. At this time there is no data available to determine whether the investments provided in the 2021 Budget Act helped mitigate attrition in the TNB program; we anticipate receiving updated data within the following weeks.	\$585,000 Automation
CalFresh Overissuance Timeframe Adjustment	Effective July 1, 2022, or when the SAWS can perform the automation necessary for implementation, whichever is later, CWDs may only establish a CalWORKs/CalFresh nonfraudulent overpayment/overissuance (OP/OI) if all or a portion of the OP/OI occurred within the 24 months immediately prior to the date of discovery.	\$501,000 Automation
Extension of CalFresh/Medi-Cal Dual Enrollment	Extends the implementation date for counties to implement specific requirements to expand CalFresh/Medi-Cal dual enrollment <u>to</u> no later than January 1, 2023 (See <a href="#">ACL 21-150</a> ). CWDs are required to implement the following: screen all Medi-Cal applicants for CalFresh eligibility at the time of application or renewal; provide Medi-Cal applicants who may potentially be eligible for CalFresh with the opportunity to apply for CalFresh at the same time as their Medi-Cal application or renewal; staff who handle Medi-Cal applications and renewals to also conduct eligibility determination for the CalFresh program; and designate county liaison(s) to establish CalFresh application referral and communication procedures between counties and community-based organizations (CBOs) that facilitate Medi-Cal enrollment.	Unknown County Administration Costs
Extension to Implement New Interview Scheduling Techniques	Extended the implementation date for CWDs to implement one or more flexible interview scheduling methods by no later than January 1, 2022. CWDs have implemented flexible interview scheduling methods which include time-block interviews, telephonic contact in conjunction with the provision of written communication about the need to schedule an interview, or same-day interview (See <a href="#">ACL 21-24</a> , <a href="#">ACL 21-150</a> ).	N/A
Extension of Statewide Restaurant Meals Program (RMP)	Extended the implementation date of the statewide RMP to September 1, 2021 (See <a href="#">ACL 21-100</a> ). DSS has implemented the RMP statewide as of the extension date and is engaging in ongoing work to support the statewide RMP expansion, including stakeholder engagement, restaurant outreach, client outreach, and ongoing technical assistance and support to restaurants, clients, counties, and other partners.	Ongoing State Administration Costs

**California Student Aid Commission (CSAC) CalFresh Workgroup Report.** The following are recommendations from the report, released January 25, 2022.

1. Establish pilot regional hub for students to apply for and be approved for CalFresh benefits, following the Cash Assistance Program for Immigrants (CAPI) model. Students face a unique set of circumstances and barriers to applying for and receiving CalFresh benefits, a



statewide portal for students exists to assist in processing those claims. However, the CalFresh Workgroup found that students might be better served by a system considers that this population to moves between counties based on their enrollment into postsecondary education – the transitory nature of students is one of the top barriers for students navigating the CalFresh systems and applying for benefits. Designation of a regional “hub” county office, by a consortium of counties would allow for a more concentrated focus on these applications in a manner not impacted by students moving across county jurisdictions as well as offer the opportunity to streamline the application, eligibility, and approval process. The regional “hub” site would train county eligibility workers specifically to review postsecondary student applications that would expedite the approval process, especially during peak seasons. This type of “regional hub” model already exists in California through Cash Assistance Program for Immigrants (CAPI). CAPI was created in 1999 to provide monthly cash benefits to aged, blind, and disabled non-citizens who are ineligible for Supplemental Security Income/State Supplementary Payment (SSI/SSP). This program is administered through a county or a consortium of counties opting in to designate one agency to process their applications for a defined population. With one of the top barriers for students in applying and navigating the CalFresh system being the transitory nature of where students live, having this regional approach could help students begin their application easier and get the assistance they need, while also providing participating counties with additional processing capacity during the surge in applications in peak seasons.

State Policy Action: State statutory change to implement and new one-time funding.

2. Establish a new, state-funded Pilot Food Support Program for undocumented students who complete the California Dream Act Application (CADAA). The barriers undocumented students experience when trying to access CalFresh benefits are exacerbated by the federal rules and policies that explicitly exclude them from applying for any type of federal benefit assistance program. To help streamline students’ equal access to food benefits, the workgroup recommends that the state leverage the existing California Dream Act Application (CADAA), which undocumented students already utilize to access state financial aid. The CADAA could serve as a central access point by which students can be considered simultaneously for both financial aid and state-funded food benefits and can be recertified annually.

State Policy Action: State statutory change to implement and new one-time funding.

3. Use FAFSA data to pre-populate the CalFresh application. Pre-population of data from the Free Application for Federal Student Aid (FAFSA) to the CalFresh application with some supplemental information would decrease the burden on students to re-enter information that they have already provided via the FAFSA.

State Administrative Action: State administrative policy change and targeted one-time funding for IT infrastructure.

4. Enhance Data Sharing Agreement with California Department of Education (CDE) to identify all K-12 students who were on FRPM program. California Student Aid Commission (CSAC) can enhance an existing data sharing agreement with the CDE to identify FAFSA



filers who were on the FRPM program and inform them of their potential eligibility for CalFresh benefits.

State Administrative Action: Enhance memorandum of understanding (MOU) between CSAC and the CDE.

5. Expand DSS communications to County Offices directing them to accept client statements of verification in lieu of the Student Rule exemptions. The acceptance of this verification effectively exempts a student from the Student Eligibility Rule without requiring additional documents eliminating a significant barrier for student access to CalFresh. There have been recent reports of some Eligibility Workers not being aware of this directive. Additional resources should be marshalled to widely communicate and provide training to increase the Eligibility Workers understanding and implementation of this significant directive.

State Administrative Action: State administrative change and new funding required.

6. Create a reporting and tracking accountability system to collect data on students estimated to be eligible for CalFresh benefits, students served and college CalFresh applications including timelines, acceptance, denial statistics and demographics. The collection of statewide data on postsecondary student participation in CalFresh is critical for addressing the issues with the current system. A reporting and participation tracking system could be used to collect data regarding students estimated to be eligible for CalFresh benefits, students served by the program, and college CalFresh applications, including timelines, acceptance and denial statistics, and demographics.

State Administrative Action: State statutory change to implement and new funding required.

7. Allow all county office eligibility workers throughout the state to view, transfer and process all BenefitsCal/CalFresh application via CalSAWS to allow students to be able to apply in the home county before moving. This would eliminate the processes of the CalSAWS that prevent eligibility workers from viewing applications from outside their county, and create a system in which all eligibility workers can access, transfer, and process any application. In addition, integrate a consumer-friendly scheduling option into CalSAWS that would allow students to select open interview times online if an interview is required as part of the application process.

State Administrative Action: State statutory change to implement.

8. Develop a Statewide Student Portal within the MyBenefits/Cal System. This would entail establishing a statewide portal for students to complete their CalFresh applications within the MyBenefits CalWIN system, which would be a critical step in beginning to customize the application process for postsecondary students.

State Administrative Action: State statutory change to implement and new funding required.

9. Revise the funding allocation methodology for local counties to provide funding for added staffing capacity, align incentives to boost enrollment for eligible applications, and keep pace with the surge in CalFresh applications in general and student applications, specifically.

State Policy Action: State statutory change to implement and new funding required.

10. Direct colleges and universities to require local campus food service venues to accept EBT cards. This will allow CalFresh students to use their EBT cards to purchase on campus, making the process of obtaining food more efficient and streamline the experience for both the consumer and administratively.

State Policy Action: State statutory change to implement and new, one-time funding allocation to support transition period.

<b>STAFF COMMENTS AND QUESTIONS</b>
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The Subcommittee may consider asking DSS for the following:

1. Request an analysis from DSS regarding current CalFresh administrative costs and if there is a quantitative shortfall in what is provided in the Governor's proposed budget and what is necessary to meet caseload and programmatic demands to assure that current law can be implemented appropriately. The Subcommittee may wish to ask for the LAO's assistance with facilitating communication and clarification of this request between the Subcommittee and the Administration.
2. Request analysis from DSS regarding the Food for All proposal and the costs to implement such an expansion for all ages, including sub-estimates that show options for coverage of those 25 and younger and those aged 26-54, including automation and administrative considerations for which planning and additional funding might be necessary. The Subcommittee asks for the LAO's assistance with facilitating communication and clarification of this request between the Subcommittee and the Administration.
3. Request a discussion to commence on which components of the CSAC CalFresh Workgroup Report might be ripe for action in the 2022 Budget, with CSAC representatives, the Administration, LAO, and legislative staff invited to participate.

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**Staff Recommendation:** The Chair and Subcommittee may consider making requests as suggested in the agenda.

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**ISSUE 5: FAMILY HOUSING AND HOMELESSNESS PROGRAMS – GOVERNOR’S PROPOSALS AND OVERSIGHT OVER KEY PROGRAM IMPROVEMENTS****PANELISTS AND QUESTIONS ASKED OF EACH PRESENTER**

Panelists have been asked to specifically answer the questions below as listed for each individual panelist in their five-minute maximum presentation to the Subcommittee.

**1. Julie McQuitty, Housing and Homelessness Acting Branch Chief, California Department of Social Services**

- What is the status of the allocations to counties and implementation of the additional funding for various DSS housing and homelessness programs provided in the 2021 Budget Act? Provide an update on the current status of guidance and implementation of the new funding that was provided in the budget last year for these programs.
- DSS reports that an estimated 85% of families who touch the homeless system are receiving or were recently receiving CalWORKs. What does this tell us about the needs within the CalWORKs program proper to address poverty and reduce the inflow to homelessness?
- Are the flexibilities that were adopted in the trailer bill language last year for housing and homelessness programs having an impact? How?
- Please provide an update on the implementation and timeline of the Community Care Expansion (CCE) program. How many new beds does the department expect to establish through this program?
- What is the estimated need for preservation funds across the state, specifically the capitalized operating subsidy reserves (COSRs)? How far will the provided \$55 million go in meeting that need?
- How does the department envision the preservation funds will be allocated to counties and tribes?

**2. Erin Carson, Staff Finance Budget Analyst, Department of Finance**

- Please provide any additional information on the issue.

**3. Lourdes Morales, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office**

- Please provide any additional information on the issue.

**4. Cathy Senderling-McDonald, Executive Director, County Welfare Directors Association of California**

- How is implementation of all the new funding going?
- What challenges are counties facing in housing participants in these programs? Are additional flexibilities in how the funding could be spent still needed?

## OVERSIGHT ISSUE

**Background.** DSS's Housing and Homelessness Branch (HHB) team has designed and stood up pilot programs to support critical needs in local communities through the development of the Housing Support Program (HSP), Bringing Families Home (BFH), Housing and Disability Advocacy Program (HDAP), Home Safe and Project Roomkey. Currently, DSS develops, implements, monitors, and supports seven statewide housing programs with more than 250 program grantees. These programs serve a significant portion of the population of Californians experiencing homelessness. In 2020, DSS HHB programs served over 100,000 individuals experiencing homelessness or housing instability, or at risk of homelessness.

The 2021 state budget invested \$2 billion into DSS housing and homelessness programs.

Program	Funding through 2021-22	2021-22 Additional Funding	Total Funding in 2022-23
CalWORKs Homeless Assistance	\$66.5 million in 2019-20; Entitlement program	Entitlement program	\$66.5 million
CalWORKs Housing Support Program	\$95 million ongoing	\$190 million one-time	\$285 million
Bringing Families Home	\$25 million between July 2019 and June 2022	\$92.5 million one-time	\$92.5 million
Housing and Disability Advocacy Program	\$25 million ongoing	\$150 million one-time	\$175 million
Home Safe	\$15 million between July 2018 and June 2021, extended to June 2022	\$92.5 million one-time	\$92.5 million
Project Roomkey	\$62 million in 2020-21	\$150 million one-time	N/A
Community Care Expansion	N/A	\$805 million (available over three years; proposed GF to be encumbered by June 2027)	

**Budget Change Proposal (BCP): AB 977: Homeless Management Information System Implementation for Housing and Homelessness Programs.** The Governor's budget includes a Budget Change Proposal (BCP) for \$352,000 General Fund ongoing to support two positions (two Research Data Specialist Is) that will help implement new requirements and assist grantees with collecting and reporting data into the Homeless Management Information System (HMIS). In 2021, the California Interagency Council on Homelessness (CA ICH) (formerly known as the Homeless Coordinating and Financing Council) launched the Homeless Data Integration System (HDIS), which integrates local homeless assistance data from all 44 Continuum of Cares (COCs) for purposes of matching data on homelessness to programs impacting homeless recipients of other state programs, such as the Medi-Cal

program and California Work Opportunity and Responsibility to Kids. The data will be used to help shape program and policy decisions by identifying best practices across the state.

The BCP states that housing data will help the DSS and CA ICH to better understand California homelessness, the impact of the CDSS housing and homelessness programs, and to achieve the goals set out by AB 977 and HDIS. It will also help fulfill the Administration's mission to increase transparency and accountability. Specifically, targeted support will best achieve the goal identified by the author of AB 977, to closely track and monitor the use of public funding appropriated for homelessness and to collect relevant data and information about expenditures and outcomes. With this information, policymakers can develop and refine data-driven responses to homelessness and improve outcomes for California residents, taxpayers, and individuals experiencing homelessness.

**Housing and Homelessness Programs administered by DSS include:**

**CalWORKs Homeless Assistance (HA) Program.** The CalWORKs HA program was established to help families in the CalWORKs program meet the costs of securing or maintaining permanent housing or to provide emergency shelter when a family is experiencing or at risk of homelessness. The program is an entitlement benefit available in all fifty-eight counties. Assistance can be temporary or permanent. Temporary assistance provides a daily payment for families to secure housing for up to sixteen calendar days in twelve months. Permanent assistance can be provided via security deposit costs or up to two months of rent arrearages. In 2020-21, the program approved temporary assistance for 30,863 families and permanent assistance for 1,683 families.

**CalWORKs Housing Support Program (HSP).** The CalWORKs HSP is intended to foster housing stability for families experiencing or at risk of homelessness in the CalWORKs program. The program provides assistance as quickly as possible without preconditions. Supports include financial assistance as well as housing-related wraparound support services. Currently, fifty-four counties participate in the program. In 2020-21, over 3,400 families were housed through the program. More than 26,700 families have been permanently housed through the program since its inception. Planning allocations were released in July 2021 and one-time funds were allocated in early December 2021.

**Bringing Families Home (BFH) Program.** The BFH program aims to reduce the number of families in the child welfare system experiencing or at risk of homelessness, increase the number of families reunifying, and prevent foster care placement. Currently, twenty-two counties and one tribe participate in the program. The program offers financial assistance and housing-related wraparound services. From the start of the program in 2016 through August 2021 more than 1,600 families have been permanently housed. Participants have reported that the program provides the stability families need to reunify and better achieve their child welfare case plan goals.

**Housing and Disability Advocacy Program (HDAP).** HDAP assists people experiencing or at risk of homelessness, who are also likely eligible for disability benefits. The program provides outreach, case management, benefits advocacy, and housing supports. Forty-four

counties and two tribes participate in the program. Since 2017-18, the program has helped 2,200 people find permanent housing and 4,300 disability applications have been submitted. Notably, grantees have integrated the program's services into Project Roomkey. Updated guidance and a funding letter were issued in September 2021, with a deadline to accept funds by December 3, 2021.

**Home Safe Program.** The Home Safe program supports the safety and housing stability of people involved in Adult Protective Services, or those in the process of intake by providing homeless assistance and prevention. The program provides a range of housing interventions including housing-related intensive case management, housing-related financial assistance, legal services, eviction prevention, and landlord mediation. Twenty-five counties participate in the program. As of June 2021, over 2,500 people have received assistance through the program.

**Project Roomkey.** Project Roomkey was established in March 2020 in response to the COVID-19 pandemic. The program provides safe shelter for vulnerable populations that need to quarantine. The Project Roomkey and Rehousing Strategy provides support for participants to make permanent transitions to safe and stable housing while continuing to provide ongoing, non-congregate shelter. Rehousing services may include direct financial assistance, housing navigation, and housing case management. One hundred percent reimbursement for shelter costs from the Federal Emergency Management Agency (FEMA) is available for counties and tribes that demonstrate eligible expenses through at least April 1, 2022. Over the lifetime of the program, 16,000 rooms have been secured and over 50,000 individuals have been sheltered.

**Community Care Expansion (CCE) Program.** The CCE program funds the acquisition, construction, and rehabilitation of adult and senior care facilities that serve applicants and recipients of Social Security Income (SSI) or Cash Assistance Program for Immigrants (CAPI) including individuals who are at risk of or experiencing homelessness. The program also provides operating reserves for existing licensed adult residential facilities (ARF) and residential care facilities for the elderly (RCFE).

The 2021 Budget Act provided a total of \$805 million General Fund over three years for the program. \$55 million of that total is set aside to provide operating funds to existing licensed Adult Residential Facilities (ARFs) and Residential Facilities for the Elderly (RCFEs). \$450 million of the funding for the program 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 California Health and Human Services Agency have bundled the CCE program with another program, the Behavioral Health Continuum Infrastructure Program (BHCIP).

Under the CCE program, qualified grantees will administer projects for the acquisition, construction, or rehabilitation of property to be operated as residential adult and senior care facilities, or to promote the sustainability of existing licensed residential adult and senior care facilities through the provision of capitalized operating subsidy reserves. The Department will

award funds to grantees that may include, but are not limited to, counties, tribes, or jointly applying counties and tribes.

**Capital Expansion Projects.** Approximately 75 percent of funds will be made available for capital expansion projects including 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 5 years. Applications for CCE capital expansion project funding will be accepted on a project basis through a Request for Applications (RFA) and funded on a rolling basis until funds are exhausted. The RFA was released on January 31, 2022.

**Preservation Projects.** Approximately 25 percent of the funds will be made available for rehabilitation to preserve settings that serve the target and prioritized populations, including \$55 million for COSRs for existing licensed facilities, including but not limited to those facilities that receive rehabilitation funding. This funding intends to immediately preserve licensed facilities currently serving SSI/SSP or CAPI recipients. These funds will be provided to counties and tribes through a direct-to-county and -tribe allocation process that had not been announced at the time of writing. The funds will be non-competitive and made available to all counties. Counties and tribes will award funds to facilities.

Advocates for Human Potential, Inc. (AHP), a consulting and research firm focused on improving health and human services systems, is serving as the administrative entity for CCE. Beginning in January 2022 and as part of the RFA process, AHP will provide pre-application consultations and technical assistance to individual applicants. In addition, AHP will offer ongoing general training and technical assistance throughout the life of the project.

<b>STAFF COMMENTS AND QUESTIONS</b>
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Staff is continuing to review recently shared information on the implementation of these programs. The Subcommittee may wish to request regular updates on these programs and if additional flexibilities would be useful to ensure that the funding can be utilized to combat homelessness as effectively as possible given the current crisis in California.

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**Staff Recommendation:** The Chair and Subcommittee may consider making requests as suggested in the agenda.

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**ISSUE 6: CIVIL RIGHTS, ACCESSIBILITY, AND RACIAL EQUITY AND IMMIGRANT INTEGRATION PROGRAMS – GOVERNOR’S PROPOSALS AND OVERSIGHT OVER KEY PROGRAM IMPROVEMENTS****PANELISTS AND QUESTIONS ASKED OF EACH PRESENTER**

Panelists have been asked to specifically answer the questions below as listed for each individual panelist in their five-minute maximum presentation to the Subcommittee.

- 1. Eliana Kaimowitz, Immigrant Integration Branch Chief, California Department of Social Services**
- 2. Maureen Keffer, Civil Rights, Accessibility, and Racial Equity Office, Chief, California Department of Social Services**
  - What are the biggest challenges for immigrant and refugee communities in our state at the present moment and how are our currently-funded programs operating to serve these needs?
  - What aspect of the community-based services network is most limited and where are there opportunities for growth and expansion?
  - Please describe the Hate Incidents Survivor and Prevention Services Program and the strengths and issues in first-year implementation.
- 3. Hinnaneh Qazi, Principal Program Budget Analyst, Department of Finance**
  - Please provide any additional information on the issue.
- 4. Ryan Anderson, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office**
  - Please provide any additional information on the issue.
- 5. Jackie Gonzalez, Policy Director, Immigrant Defense Advocates**
  - Immigrants are one particular group that have historically faced many challenges with respect to equity and inclusion and justice. What are some ways that the state can ensure that this population is protected?
  - What are some of the challenges surrounding legal services?
- 6. Cynthia Choi, Co-Executive Director of Chinese for Affirmative Action and Founding Partner of Stop AAPI Hate**
  - What are the trends you are seeing in anti-AAPI hate incidents and how can the state’s response to be improved?
  - What is your perspective on the implementation of the Anti-AAPI Hate investment made in the 2021 Budget and what outcomes will result from this funding?



**BUDGET ISSUE**

**BCP: Civil Rights, Accessibility, and Racial Equity and Immigrant Integration.** DSS requests permanent resources to fulfill its civil rights compliance reviews and complaints obligations as well as provide support to immigrants, asylees, and vulnerable noncitizens. DSS requests permanent resources for one (1.0) Career Executive Assignment (CEA), one (1.0) Staff Services Manager III (SSM III), two (2.0) Staff Services Manager II (SSM II), two (2.0) Staff Services Manager I-Specialist (SSM I-Spec), one (1.0) Staff Services Manager I (SSM I), six (6.0) Associate Governmental Program Analysts (AGPAs) and limited-term resources for two years equivalent to three (3.0) Staff Services Manager I (SSM I), eleven (11.0) Associate Governmental Program Analysts (AGPAs), and one (1.0) Research Data Specialist I (RDS I). These resources of 13.0 permanent positions and \$4.82 million General Fund in 2022-23, falling to \$2.14 million General Fund in 2024-25 and on-going, will fulfill the DSS's civil rights compliance reviews and complaint obligations necessary under laws and regulations as well as provide support to immigrants, asylees, and vulnerable noncitizens.

**OVERSIGHT ISSUE**

The following information about current programs was provided by DSS. DSS's Immigrant Integration Branch oversees immigration legal services, refugee resettlement, and immigrant support service programs that welcome and integrate new Californians.

**Program Summary:****1. Immigration Service Funding (ISF) Program – On-going \$43.6 million**

- **Funding Overview:** The ISF program provides pro bono immigration services, including: Naturalization, Deferred Action for Childhood Arrivals (DACA), Affirmative Immigration Remedies, Legal Training and Technical Assistance, and Outreach. The ISF Request for Application (RFA) was issued on November 4, 2021 and awards were announced on January 27, 2022. For FY 2021-22, DSS awarded \$35,678,030 to 93 non-profit organizations. The remaining ISF balance of about \$8.4 million will be allocated to the Removal Defense program and awarded by June 30, 2022.
- **Two-Year Cycle:** The current ISF grant awards cover the service period from January 1, 2022 through December 31, 2022. Beginning this year, the ISF grant cycle transitioned to a two-year process, which closes the competitive process until FY 2023-2024. Grantees are expected to be funded at the same level in FY 2022-2023 through a streamlined renewal process.
- **Program Administrators:** This year, DSS implemented the Program Administrator model to streamline and improve service delivery. DSS awarded \$2.5 million to three Program Administrators (PA) for two years of service. The PAs are expected to: (1) support regional administration of ISF funding; (2) subgrant ISF to grantees pre-selected by DSS; (3) provide consolidated reporting and invoicing; and, (4) act as the

ISF liaison for the designated region, which includes partnering with DSS for performance management and addressing service needs. The PA model was implemented in the Bay Area, Los Angeles, and San Diego.

## 2. One California – (One-Time) \$30 million

**Funding Overview:** The Budget Act of 2021 allocated \$30 million in additional funding for the “One California”, also known as the Immigration Service Funding, program which provides immigration services. DSS is engaging stakeholders to identify opportunities expand services. The one-time funds will be used to supplement three key areas of services: Outreach and Education, legal services capacity, and technical assistance. Concepts are currently being developed with the projected timeline of announcing funding awards by June 2022.

## 3. Immigration Legal Justice Fellowship Project– (One-Time) \$4.7 million

**Funding Overview:** The 2019 State Budget allocated \$4.7 million to DSS to establish a state-funded immigration legal fellowship to increase removal defense services in California’s Central Coast and Central Valley. The Immigration Legal Fellowship Project (ILFP) aims to increase the number of removal defense attorneys and the capacity of nonprofit organizations to provide removal defense services in these regions. The ILFP funds law fellows for two years and provides them with intensive removal defense training and mentoring, as well as practical experience serving rural communities. DSS selected seven non-profit organizations in these regions to host the legal fellows. The host organizations also received support to create sustainable removal defense law practices.

**Year One Recap:** The ILFP began in November 2020 with the legal fellow and host organization selection process. The legal fellowship period is from January 2021 through December 31, 2022. During their first year, the legal fellowship focused on training to expand their immigration legal knowledge, court practices, legal writing, and various other complex topics. Fellows have also started co-counseling cases alongside their assigned mentor attorney and are expected to begin representing clients directly this year.

## 4. DACA and Naturalization Filing Fees – (One-Time) \$25 million

**Funding Overview:** The Budget Act of 2021 allocated \$25 million to support low-income Deferred Action for Childhood Arrivals (DACA) and naturalization applicants with required U.S. Citizenship and Immigration Services (USCIS) application filing fees. In addition, DSS redirected unspent balance of \$3.9 million from FY 2020-21 in DACA Legal Services (DLS) program funding authorized by the Legislature, for a total of \$28.9 million in funding to support DACA and naturalization application filing fees. Currently the DACA filing fee is \$495 and Naturalization fees are \$725.

**Program Administrators:** To expedite client access to filing fees, DSS selected five nonprofits to support the implementation of this project and awarded them a total \$2.7 million in administrative fees. They will assist in providing filing fees to the 57 ISF grantees

who provide DACA and Naturalization services. The number of clients projected to be served by this funding is 44,298. Slightly less than half (48%) of the funding will go to DACA filing fees (\$12,636,855), while 52 percent will go toward Naturalization filing fees (\$13,607,525). These filing fees are currently available and will remain available until all funds are expended or until December 31, 2022, whichever is later.

**5. Enhanced Services for Asylees and Vulnerable Noncitizens (ESAVN) – (One-Time) \$8 million**

The State Budget of 2021 appropriated \$8 million to DSS to provide case management services to asylees and vulnerable noncitizens under a new Enhanced Services for Asylees and Vulnerable Noncitizens (ESAVN) program. This program will serve new asylees and Trafficking and Crime Victim Assistance Program (TCVAP) recipients and provide 90-days of culturally appropriate and responsive case management services linking clients to public social benefits, immigration legal assistance, and educational and health resources. Service providers will provide cultural orientations regarding civic engagement, and direct services including English language classes, pre-employment and job placement services, and assist clients in navigating the social safety net, health care systems to ensure equitable access to government assistance. A Request for Proposals will be issued in April 2022, and services are expected to begin in June 2022 and end in June 2023.

**Hate Incidents Survivor and Prevention Services Program.** The Hate Incidents Survivor and Prevention Services Program is a new initiative designed to provide funding to community-based organizations to support and provide services to survivors of hate incidents and engage in prevention efforts. The program will be administered out of the Civil Rights, Accessibility, and Racial Equity (CARE) Office within DSS's Office of Equity. The program is funded with \$110 million General Fund over three years, with \$30 million for 2021-22, \$40 million for 2022-23, and \$40 million for 2023-24. The CARE Office currently houses teams focused on verifying County Welfare Departments' compliance with civil rights mandates, administering contracts with community based organizations providing access to services for deaf and hard of hearing populations, providing language translation services for the DSS programs' public facing forms and documents, and validating the accessibility of the DSS's website content for people with disabilities. The Hate Incidents Program will bring an entirely new program focus and workload to the DSS.

<b>STAFF COMMENTS AND QUESTIONS</b>
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Staff is continuing to review recently shared information on the implementation of these programs.

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**Staff Recommendation:** The Chair and Subcommittee may have questions to pose in the course of the hearing on items covered in this issue.

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## NON-PRESENTATION ITEMS

There are no panels for non-presentation items.

### 5180 DEPARTMENT OF SOCIAL SERVICES

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#### ISSUE 7: ADDITIONAL GOVERNOR'S PROPOSALS FOR DSS RELATED TO HEARING TOPICS

##### Trailer Bill Language (TBL) Proposals Not Otherwise Discussed in the Agenda:

**TBL: CalWORKs Home Visiting Program: Increase One-Time Program Participant.** The Department proposes to provide CalWORKs HVP the flexibility to provide one-time payments to participants by changing the maximum amount allowable for participants to use from \$500 to \$1000 to help meet participant care, health, and safety needs. Increasing the funding threshold from \$500 to \$1000 would allow counties the flexibility to more appropriately respond to the immediate needs of children and families.

**TBL: CalWORKs Overpayments Established During COVID-19.** Assembly Bill (AB) 135 (Chapter 85, Statutes of 2021) implemented Welfare and Institutions Code (WIC) section 11004(e) and established a new CalWORKs overpayment policy effective August 1, 2021, under which County Welfare Departments (CWDs) must classify all nonfraudulent CalWORKs overpayments that occurred during the period between April 2020 and the end of the Governor's COVID-19 proclamation of a state of emergency or June 30, 2022, whichever date is sooner, as administrative-errors. Furthermore, AB 135 prevents CWDs from reclassifying administrative-error overpayments established under this policy after the state of emergency related to the COVID-19 pandemic ends per WIC section 11004(e)(3). The Department proposes to adjust WIC section 11004(e)(3) to ensure that CWDs can reclassify an administrative-error overpayment claim established under this policy only when the CalWORKs overpayment claim is determined to be an Intentional Program Violation (IPV). This adjustment does not have a fiscal impact. To avoid confusion and provide CWDs clear guidance, the Department proposes to amend WIC section 11004(e)(3) to clarify that CalWORKs overpayments which are ultimately determined to be caused by fraud are allowed to be reclassified from administrative-error overpayments established under this policy to IPV.

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**Staff Recommendation:** Hold open all budget issues, pending action at the May Revision hearings.

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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.