

AGENDA PART II – HUMAN SERVICES

ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER HOLLY MITCHELL, CHAIR

FRIDAY, MAY 24, 2013

NOTE CHANGE IN TIME – MEETING UPON ADJOURNMENT OF ASSEMBLY SESSION
STATE CAPITOL ROOM 437

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VOTE-ONLY ITEMS

4300 DEPARTMENT OF DEVELOPMENTAL SERVICES

ISSUE 1: GOVERNOR'S BUDGET PROPOSAL ON CO-PAYMENTS

As discussed in the Subcommittee agenda for April 17, 2013, the Governor's budget includes increases of \$15 million GF in 2012-13, and \$9.9 million GF in 2013-14, to support payments by regional centers of health insurance co-pays and co-insurance payments tied to accessing services identified as necessary in the consumer's Individual Program Plan (IPP). The administration also proposes trailer bill language to specify the conditions under which regional centers would be authorized to make such co-payments going forward, and prohibits payment by regional centers of insurance deductibles.

Staff Recommendation:

Approve the proposed resources and trailer bill language, subject to the changes mentioned below, and any additional refinement in the trailer bill process:

- 1) Clarify that the trailer bill language is intended to cover co-insurance, as well as co-pays;
- 2) Clarify that the use of the word "parent" also includes guardians or caregivers; and
- 3) Include placeholder language to require data collection related to coverage by regional centers of co-payments and co-insurance.

ISSUE 2: GOVERNOR'S BUDGET PROPOSAL TO ELIMINATE THE SUNSET DATE FOR THE ANNUAL FAMILY FEE

As discussed in the Subcommittee agenda for April 17, 2013, the administration proposes trailer bill language to eliminate the sunset date on the required payment of annual fees of \$150 or \$200 by families with children under the age of 18, living at home, who receive services from regional centers beyond eligibility determination, needs assessment, and service coordination. As under existing law, the fees would only apply under specified circumstances. The department has also indicated that it is working with regional centers to increase implementation of the existing requirements.

Staff Recommendation:

Approve the proposal to make the annual family fee permanent. Additionally, direct the department to continue to work with each regional center to ensure that the fee will be implemented as intended, and to update the Subcommittee on those efforts.

ISSUE 3: ADDITIONAL TRAILER BILL PROPOSALS

As discussed in the Subcommittee agenda for May 22, 2013, Disability Rights California has proposed trailer bill language to:

1. Clarify that restrictions on the use of Institutions for Mental Disease (IMDs), that were adopted in trailer bill language last year, were intended to apply irrespective of the age of the individual with a developmental disability.
2. Clarify that comprehensive assessments of the needs of developmental center (DC) residents that regional centers are required to conduct, under existing law, should specifically identify community-based services and supports that would enable the individual to move to a community-based setting (including specification that those services and supports should be considered for development in Community Placement Plans, if they are not already available), along with a requirement for regional centers to submit those assessments to the court and other parties to specified hearings, in response to the request of an adult who is seeking release from a DC;
3. Require notification of clients' rights advocates when placements in IMDs are made; when the required assessments of DC residents' needs are being shared at Individual Program Plan team meetings in which the team will be identifying the least restrictive placement setting that can meet a consumer's needs; and when courts are holding specified hearings in response to the request of an adult who is seeking release from a DC, along with clarification that the clients' rights advocate may attend those hearings; and
4. State that these requirements shall be construed in a manner that "affords an adult requesting release all rights under Welfare and Institutions Code section 4502, including the right to treatment and habilitation services and supports in the least restrictive environment and the Americans with Disabilities Act of 1990 (P.L. 101-336), as amended in 2008 (P.L. 110-325), including the right to receive services in the most integrated setting appropriate."

Staff Recommendation:

Approve placeholder trailer bill language, consistent with the proposals described above.

ISSUE 4: MAY REVISE PROPOSAL ON FEDERAL SEQUESTRATION BACKFILL

As discussed in the Subcommittee agenda for May 22, 2013, the May Revision requests a reduction of \$3.4 million in the federal grant for Early Start services due to federal sequestration (Issue 506). The Administration proposes, however, to backfill \$600,000 of this amount with General Fund resources in order to maintain the expenditures for direct services. The remaining \$2.8 million decrease would be absorbed by reductions in administrative costs.

The May Revision also requests to increase Item 4300-101-0001 by \$11.9 million, and decrease reimbursements by \$11.9 million, to backfill the estimated loss of federal funding resulting from the Title XX Block Grant for Social Services and Elder Care, associated with sequestration (Issue 499).

Staff Recommendation:

Approve the requested resources to backfill the loss of federal funds as requested in the May Revision.

ISSUE 5: MAY REVISE PROPOSAL ON SONOMA DC FUNDING

As discussed in the Subcommittee agenda for May 22, 2013, the May Revision reflects a \$7.4 million GF increase in 2012-13, and a \$15.7 million GF increase in 2013-14, to backfill federal funding lost due to the loss of federal certification for four residential units within the Sonoma Developmental Center (SDC) (Issue 511). The 2012-13 funding was also included in SB 68, a current-year budget bill that was passed by the Senate earlier this month. SB 68 was approved in the Assembly on May 20, 2013.

The May Revision additionally requests \$300,000 (\$200,000 GF) in 2012-13, and \$2.5 million (\$1.7 million GF) in 2013-14, to fund a contract with an Independent Consultative Review Expert (ICRE), as required by the Program Improvement Plan the state entered into with the federal certification agency.

Finally, the May Revision includes proposed budget bill language intended to address costs that may be necessary to implement the action plan identified by the ICRE as a part of the state's Program Improvement Plan. The proposed language allows the Department of Finance to authorize expenditure of up to \$10 million GF, and to notify the Legislature within 10 working days of such authorization. The department indicates that the, as yet unidentified, costs might include costs associated with implementing recommendations related to additional staffing or training.

With approximately 500 total residents, SDC is authorized for around 1,500 state staff positions and has a 17 percent staff vacancy rate. The Governor's January budget proposed a \$2.4 million increase (\$1.3 million GF) to allow the facility to hire approximately 36 additional direct care staff. The addition of those staff members would

correspondingly allow staff who serve as shift leads to focus on supervision, without being counted toward required ratios of direct care staff-to-clients. This Subcommittee previously approved that requested funding, but with authorization for the positions for a limited-term of two years. These issues were discussed at both the April 17 and May 8, 2013 Subcommittee hearings.

As discussed in greater detail in the Subcommittee agenda for April 17, 2013, four out of 10 of SDC's Intermediate Care Facility (ICF) units, with approximately 111 consumers who reside in them, were recently withdrawn from federal certification by DDS, in response to notice that the federal government was otherwise moving to decertify all of the ICF units at SDC. The federal government's concerns, and DDS's resulting withdrawal of these units from certification, came on the heels of findings last year regarding multiple instances of abuse, neglect, and lapses in caregiving at SDC. The Program Improvement Plan, referenced above, covers changes required for the remaining six ICF units to retain certification, as well.

HHSA Announces Creation of DC Task Force. At the May 22 Subcommittee hearing, Health and Human Services Agency Secretary Diana Dooley announced that she will establish a Task Force on the Future of the Developmental Centers. She stated that the Task Force will be charged to develop a Master Plan that addresses the service needs of all developmental center residents, the fiscal and budget implications of the declining population, the aging infrastructure, staffing, resource constraints, the availability of community resources to meet the specialized needs of residents now living in the developmental centers, a timeline for future closures and the statutory and regulatory changes that may be needed to ensure the delivery of cost-effective, integrated, quality services for this population.

The press release with the announcement indicates that the Secretary will make appointments to the task force by June 1, 2013 and will convene the first meeting by June 15. The Task Force will complete its work by November 15 and produce a written Master Plan.

Staff Recommendation:

- 1) Approve the May Revision requests to backfill federal funding and fund the ICRE contract for the Sonoma Developmental Center.
- 2) Reject the proposed provisional BBL, scoring \$10 M in General Fund savings associated with this.
- 3) Adopting the following placeholder uncodified trailer bill language:

Require that the administration submit a master plan for the future of developmental centers, which it has committed to producing by November 15, 2013, to the appropriate fiscal and policy committees of the Legislature, by that same date. In the preparation of this plan, the administration shall consult with a

cross-section of consumers, family members, regional centers, consumer advocates, community service providers, organized labor, the Department of Developmental Services, and representatives of the Legislature.

Further, require the administration to report, by January 10, 2014, to the appropriate fiscal and policy committees of the Legislature regarding the administration's resulting plans to address the service needs of all developmental center (DC) residents, the fiscal and budget implications of the declining DC population, the aging infrastructure, staffing, and resource constraints, the availability of community resources to meet the specialized needs of residents now living in the DCs, a timeline for future closures, and the statutory and regulatory changes that may be needed to ensure the delivery of cost-effective, integrated, quality services for this population.

ISSUE 6: EARLY START

As discussed in the Subcommittee agenda for April 17, 2013, the Early Start program is an example of a service reduction about which stakeholders continue to express serious concern. In 2009-10 the budget-restricted eligibility and services available to some infants and toddlers through the Early Start program. Stakeholders have urged prioritization of the Early Start Program eligibility criteria and services, bringing the program back to its status prior to the 2009-10 reductions, to ensure the seamless provision of services to children at this vulnerable developmental stage.

Staff Recommendation:

Approve a \$12 M reinvestment in the Early Start program, with placeholder trailer bill language to alter and prioritize changes in eligibility to allow for more children to participate in the program, effective October 1, 2013.

5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE 1: CALWORKS EARLY ENGAGEMENT PROPOSALS

As discussed in greater detail in the Subcommittee agenda for May 20, 2013, the May Revision requests an increase of \$48.3 million GF in 2013-14, to improve early engagement and barrier removal processes and supports within the CalWORKs program, and to expand subsidized employment opportunities for CalWORKs Welfare-to-Work participants. The increased funding is intended to allow counties to perform more robust appraisals in order to identify the services that can best benefit program participants, which could include family stabilization services, barrier removal services, and employment services. Correspondingly, with respect to the subsidized employment component of the proposal, the Administration proposes trailer bill language to expand the number of slots available to participants. Finally, the administration proposes a one-time increase of \$600,000 GF to support necessary automation changes associated with the proposal.

CalWORKs program background and budget issues were discussed in detail in the Subcommittee's March 13, 2013 agenda.

Staff Recommendation:

In accordance with the Assembly Blueprint for a Responsible Budget, the recommendation is approve and build from the May Revise proposal to achieve the following: (1) invest in low-income children living in deep poverty (conforming to actions taken in Sub. 2 targeting education funds for low-income and English Learner students) and (2) maximize the welfare-to-work time on aid for CalWORKs parents toward employment success, pursuant to the agreement reached as part of the 2013 Budget.

Therefore, the recommendation is to do the following in addition to approving the Governor's May Revise proposal:

- **Phase in of a CalWORKs Child Poverty Adjustment**, so that after a five-year period CalWORKs provides support for families to live at 50% of the Federal Poverty Level (FPL). This will begin with a 12% increase in the CalWORKs MAP starting January 1, 2014, with 4.5% increases each year thereafter for four years. The grants will be adjusted annually thereafter to maintain the tie to 50% of FPL. For 2013-14, this change requires \$217 M and the adoption of placeholder trailer bill language to effectuate this change both in budget and out-years.
- **Build on the May Revision's Early Engagement proposal**, adopting placeholder trailer bill language to (a) construct a statutory framework to ensure an appropriate and systemwide tool for Robust Appraisal, (b) provide specified services under Family Stabilization, prior to time limits beginning for families

receiving these services, to more effectively remove barriers to employment, and (c) authorize an expanded Subsidized Employment program, leading to a universal offer of subsidized employment after four years. This includes an increase of \$10 M for Family Stabilization enhanced services in the 2013-14. As part of this trailer bill, include provisions to make related changes to existing law regarding the flow of welfare-to-work services and to require data collection and client experience monitoring. All of these trailer bill changes are subject to refinement in the trailer bill process.

- **Advance fundamental policies that break the cycle of poverty** for California families, including (a) limiting the Maximum Family Grant (MFG) Rule to a two-year period, (b) eliminating the Vehicle Asset Limit, allowing families to retain a functional vehicle to support their employment and self-sufficiency goals, and (c) lifting the “once-in-a-lifetime” Homeless Assistance provision. This includes an increase of \$15 M in 2013-14 for ramp-up for these policies to be implemented toward the last quarter of the budget year, with the implementation date occurring for these policies no later than July 1, 2014. Adopt placeholder trailer bill language to effectuate these program changes, subject to refinement in the trailer bill process.

ISSUE 2: CALWORKS CHANGES TO NON-MOE PROGRAMS

As discussed in the Subcommittee agenda for May 20, 2013, this May Revision premise change shifts funds for CalWORKs cases with an unaided but work-eligible adult (including Safety Net (SN) cases and cases in which the parent is a drug of fleeing felon) from GF counted toward the TANF MOE requirement to non-MOE GF. These CalWORKs cases will be removed from the TANF Work Participation Rate (WPR) calculation.

Staff Recommendation:

Adopt May Revision proposal, however note that this Subcommittee remains interested in continued careful oversight over funding decisions and implications for all CalWORKs cases.

ISSUE 3: HUMAN SERVICES REALIGNMENT PROPOSALS ASSOCIATED WITH HEALTH CARE REFORM

As discussed in greater detail in the Subcommittee agenda for May 20, 2013, the administration is proposing that over time, as the state assumes more responsibility for health care, counties will take on more financial responsibility for certain human services programs. The administration estimates that \$300 million in 2013-14, \$900 million in 2014-15, and \$1.3 billion in 2015-16 in 1991 realignment funding will shift from local health programs to local human services programs. The administration indicates that the actual amount shifted would, however, be based on each county's experience

with implementing the optional expansion of Medi-Cal. The administration has not yet provided detailed trailer bill language outlining the fiscal and/or programmatic changes being proposed.

Staff Recommendation:

Reject all programmatic aspects of the administration's human services realignment proposal and defer to actions on the Health side of the Subcommittee's work for decisions on the broader health care implementation proposal.

ISSUE 4: TANF TRANSFER TO STUDENT AID COMMISSION

As discussed in the Subcommittee agendas for March 13, May 8, and May 20, 2013, the 2012-13 budget redirected an unprecedented amount of California's federal Temporary Assistance to Needy Families (TANF) block grant funding (\$804 million) away from CalWORKs and to the California Student Aid Commission (CSAC) to be used for expenditures in the Cal Grants program, which provides financial aid for students obtaining a higher education. The funds were swapped, dollar-for-dollar, to redirect an equal amount of General Fund monies that would have been spent on Cal Grants to instead be spent on CalWORKs. The Governor's budget proposes to make the same swap in 2013-14, but at an even higher level (\$924.2 million in the May Revision). This would mean that more than half of the Cal Grants program would be supported by federal TANF funding.

Staff Recommendation:

Consistent with the prior action of this Subcommittee, reduce the TANF transfer to CSAC to eliminate any amount of the transfer that is tied to the creation of excess Maintenance of Effort (MOE) funding after accounting for other changes made as a result of this Subcommittee's final CalWORKs actions. The final amount of the change should be determined by the administration, after consultation with Subcommittee staff and the LAO. This will also require making conforming, technical changes to replace a corresponding amount of TANF funds, previously budgeted under CSAC, with General Fund. The overall budget impact of the change should be neutral to the General Fund at the statewide level.

ISSUE 5: STATE HEARINGS DIVISION

As discussed in the Subcommittee agenda for March 21, 2013, the Governor's budget requested \$3.4 million (\$1.3 million GF) to establish 21 new, permanent state staff positions to handle an increased state hearings caseload. The General Fund resources are proposed to be redirected from the payment of penalties for late hearing decisions. The department indicates that these late decisions are a result of caseload growth and

that the amount of penalties has increased since 2006, totaling \$1.1 million for 2011-12, and is projected to be as high as \$1.8 million yearly over the next three years. Correspondingly, the Governor proposes trailer bill language to limit, for a period of three years, the department's exposure to those court-mandated penalties. Advocates have expressed concern with the administration's proposal to have the Legislature and Governor make those changes to the penalty structure, rather than having the parties propose any potential changes to the court that continues to retain jurisdiction over the litigation which established the penalty structure.

As discussed in the Subcommittee agenda for May 20, 2013, the May Revision additionally proposes an increase of \$9.8 million (\$3.5 million GF) for administration costs associated with anticipated state hearings workload related to proposed across-the-board reductions in In-Home Supportive Services (IHSS) hours. The proposed \$176.4 million GF savings related to the reduction in 2013-14 is already net of these anticipated costs, which the administration indicates could be used to fund up to 24, temporary administrative law judge positions and corresponding support staff.

Staff Recommendation:

In response to the Governor's January and May proposals, approve funding and authority for 24 new, permanent administrative law judges, and corresponding funding for 17 administrative support staff. The effect of this action should be determined by the administration, after consultation with Subcommittee staff. Additionally, defer, to a court-based process related to the underlying litigation that established the penalty structure, the potential for funding, through temporary penalty relief, state hearings resources necessary to get to timely decisions. In tandem with this, reject the January State Hearings BCP and trailer bill proposal.

ISSUE 6: CALFRESH ESTIMATES CHANGES – SCHOOL LUNCH DELAY AND TRANSITIONAL CALFRESH FOR EMANCIPATED FOSTER YOUTH
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As discussed in the Subcommittee agenda for May 22, 2013, this premise allows school districts or county offices of education to partner with local county CalFresh offices to identify households that qualify for free or reduced-price school meals and may also qualify for CalFresh benefits. With applicants' authorization, information in School Lunch Program applications will be shared with local CalFresh county offices to use in determining eligibility. Implementation was delayed to July 2013 from November 2012. The increase in 2013-14 is primarily due to an updated assumption in the May Revision that a greater share of eligible households will participate in the program. There will be 18,856 new cases coming onto CalFresh in July 2013 as a result of the School Lunch Program.

Also discussed in the Subcommittee agenda for May 22, 2013, the 2013-14 Governor's Budget assumed the Transitional CalFresh for Foster Youth (AB 719) demonstration project would implement in January 2013. Implementation is contingent on federal

approval and DSS' demonstration of cost neutrality for this premise. Funding will be removed from this premise until DSS is able to resolve the cost neutrality issue and obtain approval from Food and Nutrition Services. It is estimated that 100 new cases that will not receive services through the foster care system under AB 12 would come on to CalFresh per month if this premise were implemented. If AB 719 were implemented, these cases would be a savings to AB 12.

Staff Recommendation:

Approve May Revision estimate changes to these programs.

ISSUE 7: CALFRESH MAY REVISION PROPOSAL FOR SEMI-ANNUAL REPORTING TRAILER BILL LANGUAGE

As discussed in greater detail in the agenda for the Subcommittee hearing on May 20, 2013, the May Revision proposes trailer bill language intended to more closely align state law established by AB 6 with federal requirements regarding eligibility reporting and Low-Income Home Energy Assistance Program (LIHEAP) policies, and to make other changes regarding the deductions available to recipients. Advocates have additionally suggested these two changes to the administration's proposed language:

1) On page 2, subsection (c), amend to read:

"(c) ...In the event a complete certificate is not received by the 15th day of the month in which the certificate is due, a personal contact shall be made with the family by a county worker, and the certificate shall then be completed with the assistance of the eligibility worker, if needed..."

2) On page 6, strike subdivision (b)(2) of section 11265 to align CalWORKs and CalFresh requirements with the denial of a federal waiver related to CalFresh policy.

Staff Recommendation:

Adopt the administration's proposed trailer bill language, along with the changes recommended by advocates, as placeholder language, subject to refinement in the trailer bill process.

ISSUE 8: COORDINATED CARE INITIATIVE – STATEWIDE AUTHORITY

As discussed in the Subcommittee agenda for May 20, 2013, the administration is requesting an increase of \$518,000 (\$259,000 GF and \$259,000 reimbursements) and four positions (two permanent and two limited-term) to support the creation and implementation of the California In-Home Supportive Services Authority (Statewide

Authority) and Statewide Advisory Committee. The Statewide Authority is the entity required to assume In-Home Supportive Services (IHSS) provider collective bargaining responsibilities from counties that transition IHSS benefits to managed care plans under the Coordinated Care Initiative.

Additionally, stakeholders propose the following trailer bill language intended to make technical changes to the budget trailer bill from last year (SB 1036, Chapter 45, Statutes of 2012) that established the Statewide Authority:

Section 110032 of the Government Code is amended to read:

110032. After the applicable mediation procedure has been exhausted, factfinding has been completed and made public, and no resolution has been reached by the parties, the Statewide Authority may declare an impasse and implement any or all of its last, best, and final offer. Any proposal in the Statewide Authority's last, best, and final offer that, if implemented, would conflict with existing statutes or require the expenditure of funds shall be presented to the Legislature for approval. The unilateral implementation of the Statewide Authority's last, best, and final offer shall not deprive a recognized employee organization of the right each year to meet and confer on matters within the scope of representation, whether or not those matters are included in the unilateral implementation, prior to the adoption of the annual budget or as otherwise required by law.

Staff Recommendation:

Approve the requested resources and positions, and adopt placeholder trailer bill language as clean-up to SB 1036.

ISSUE 9: RESOURCE FAMILY APPROVAL PROJECT

The Subcommittee originally heard this issue on its agenda for April 3, 2013, where there was a discrepancy on the funding source for the Budget Change Proposal. The Subcommittee heard the issue again at its May 20, 2013 hearing, with the May Revision requesting a decrease of \$207,000 (\$101,000 General Fund, \$36,000 Federal Trust Fund, and \$70,000 reimbursements) and 2 positions to withdraw the Governor's Budget request for Resource Family Approval Project resources. The proposal assumed a portion of the costs would be funded with 2011 Local Revenue Funds. However, it was subsequently determined that those funds would not be made available to support project efforts. The project would have implemented the consolidation of three separate approval processes into a single comprehensive approval process for foster parents, adoptive parents, and relative caregivers. Related trailer bill language is also proposed to suspend the project.

Staff Recommendation:

Reject the May Revision request and instead approve the necessary funding, anticipated to be approximately \$171,000 GF and \$36,000 Federal Trust Fund), along

with two positions, for the project to move forward. Correspondingly, (1) adopt only the technical aspects of the related trailer bill language (e.g. to update outdated references to the project's former status as a pilot) and (2) require the department to update the Subcommittee on its progress in implementing the project during the 2014-15 budget hearings.

ISSUE 10: FOSTER FAMILY HOME AND SMALL FAMILY HOME INSURANCE (FSH) FUND

As discussed in the Subcommittee agenda for May 20, 2013, the Administration proposes, in a Spring Finance Letter, to reduce the previously proposed 2013-14 funding for the FSH Fund by \$140,000 GF. The letter also proposes a one-time transfer of \$2.3 million from the FSH Fund to the General Fund to return excess surplus funds, as identified by the administration, that have accumulated because recent expenditures have been lower than budgeted.

Staff Recommendation:

Approve the requested adjustments in the FSH Fund Spring Finance Letter.

ISSUE 11: MAY REVISION REQUEST FOR POSITIONS RELATED TO HUMAN SERVICES PROGRAM AND ACA IMPLEMENTATION

As discussed in the Subcommittee agenda for May 22, 2013, the May Revision requests an increase of \$379,000 reimbursements to support 2 new limited-term positions (expiring June 30, 2015) and 1 existing position to analyze social services program impacts associated with federal health care reform.

One CEA II-level exempt position reporting to the Director's Office has been filled by an appointed individual responsible for coordinating efforts with other state departments, counties, CalHEERS, stakeholders, and the federal government. This position, the Assistant Director for Horizontal Integration, leads the analysis and planning effort, and will oversee and guide the work of the other two requested positions. This position is responsible for setting the roadmap for the analytical effort, in part by staying informed about developments and other states' efforts at the national level. DSS is utilizing an existing appointed position and therefore is requesting funding through this proposal.

The other two positions report to the appointed CEA position. They will be responsible for analyzing the policy rules of health and social services programs to identify opportunities for alignment, simplification, and coordination. They also will monitor development and implementation of the CalHEERS system and its integration with the SAWS consortia projects, to understand the information technology architecture, business, and client handling processes, and program rules established for health programs, as a baseline for the analysis.

Cumulatively, the work of these three positions will result in the identification, development, and presentation of issues related to the federal standard for integration with health and human services.

Staff Recommendation:

Approve the May Revision request with a requirement to the Department to be prepared to report to the Subcommittee during the 2014 spring hearing process on a vision and framework for the improvement of human services programs as a result of integration efforts, with clear and concrete goals for what this enhancement will look like for families receiving benefits, workers and training at the county office level, and systems more broadly. This framework should include timelines for achieving goals and metrics to evaluate outcomes. The Subcommittee requests that the approved positions work closely with the County Welfare Directors Association of California and county human services agencies, as well as other stakeholders, in development of this vision and framework.

ISSUE 12: SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT

As discussed in the Subcommittee agenda for April 10, 2013, Supplemental Security Income/State Supplementary Payment (SSI/SSP) provides a monthly cash benefit to enable needy aged, blind, and disabled people to meet their basic living expenses for food, clothing, and shelter. Caseload is estimated to be 1.3 million recipients in 2013-14, a 1.3 percent increase over the 2012-13 projected level. The SSI/SSP caseload consists of 27 percent aged, 2 percent blind, and 71 percent disabled persons.

The state COLA for the SSP portion of the grant was routinely denied for the caseload for several years, despite rising inflationary costs, and was indefinitely suspended as part of the 2009-10 Budget.

Staff Recommendation:

Reinstitute the annual state COLA for SSI/SSP starting July 1, 2014.

0530 OFFICE OF SYSTEMS INTEGRATION

ISSUE 1: CMIPS II TECHNICAL ADJUSTMENT

At the Subcommittee's May 20, 2013, it approved a May Revision request that Item 0530-001-9745 (California Health and Human Services Automation Fund) be decreased by \$1,579,000 to align Office of Systems Integration spending authority with the revised Case Management, Information, and Payrolling System II (CMIPS II) project schedule as reflected in the most recent Special Project Report.

These adjustments are consistent with the anticipated transition of the project from the design, development, and implementation phase to the maintenance and operations phase. The requested adjustment consists of a decrease of \$2,163,000 partially offset by an increase of \$584,000 to support 4 positions (including a one-year extension of 1 limited-term position scheduled to expire June 30, 2013) and 0.5 existing position.

Staff Recommendation:

Approve a technical adjustment related to the Subcommittee's prior action on this item to reflect the corresponding decrease in funding associated with the repurposing of the half-time position from CWS-NS to CMIPS II.