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

Assemblymember Hector De La Torre, Chair

WEDNESDAY, APRIL 20, 2005
STATE CAPITOL, ROOM 444
1:30PM

CONSENT CALENDAR

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<td>20</td>
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<tr>
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<td>20</td>
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</tbody>
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ITEMS FOR CONSENT

ITEM 4170  DEPARTMENT OF AGING

CONSENT ISSUE #1: SPRING FINANCE LETTERS

The Department of Finance has issued an April 1st Spring Finance Letter making two adjustments to the Department of Aging’s Budget.

BACKGROUND:

On April 1, 2005 the Department of Finance issued two finance letters that will impact the Department of Aging’s Budget:

1) The Department of Finance has submitted a Spring Finance Letter that would increase the federal funding for HICAP by $1.8 million. Of this amount $283,000 and three PY’s would be added to the Department’s budget and $1.5 million would be allocated to local Area Agencies on Aging to support local HICAP efforts throughout the State.

2) Older Americans Act Funding—The proposed change would increase the amount of federal Older Americans Act funding by $103,000 at the State level and $1.8 million on the local level. The proposed change reflects a January 2005 adjustment to the State’s allocation of Older American Act funding.

3) The Department of Aging is requesting $400,000 (161,000 GF) and 3 limited term PYs needed to implement the “State Plan Amendment” that would move Adult Day Health Care to the Medicaid “Rehabilitation Option”. The three positions will provide monitoring of Adult Day Health Care sites that was suggested in a recent audit.

There is no State General Fund share for either proposed change.

STAFF COMMENT:

The Subcommittee heard testimony on HICAP funding at the April 11, 2005 hearing.

The Adult Day Health Care proposed State plan amendment also results in more substantive changes in the Department of Health Services. The Subcommittee will consider these changes in a different hearing later this year.

There have been no issues raised with these proposed letters.

CONSENT ACTION:

Adopt Spring Finance Letter
ITEM 4700  DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

CONSENT ISSUE #2: PETROLEUM VIOLATION ESCROW ACCOUNT FUNDS

The Department of Community Services and Development requests an appropriation of $4 million Petroleum Violation Escrow Account (PVEA) funds to augment the Low-Income Home Energy Assistance Program (LIHEAP) and weatherization programs.

BACKGROUND:

The Department of Community Services and Development requests the appropriation of $4 million Petroleum Violation Escrow Account (PVEA) funds to augment the Low-Income Home Energy Assistance Program (LIHEAP) and weatherization programs. It is estimated that this funding will weatherize an additional 3,320 homes of low-income households.

PVEA funds are the result of the State’s 1983 Exxon Settlement Agreement and can only be used to supplement five existing federal energy assistance, conservation, and weatherization programs.

There is no General Fund impact from this proposal.

STAFF COMMENT:

There have been no issues raised with this proposal.

CONSENT ACTION:

Approve as Budgeted.
ITEMS TO BE HEARD

ITEM 5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE #1: SUSPENSION OF FEDERAL AND STATE SSI/SSP COLAS

The Subcommittee will consider the Governor’s proposal to freeze SSI/SSP grant levels for the budget year.

BACKGROUND:

The Supplemental Security Income/State Supplemental Program (SSI/SSP) provides cash assistance to eligible aged, blind, and disabled persons. The federal government funds SSI cash benefits for eligible persons. The state contributes the SSP portion of the grant as a supplement to the SSI grant.

The Governor’s Budget assumes $229 million General Fund savings in the budget year by suspending federal and State cost of living adjustments (COLAs) to the SSI/SSP program. $ 144 million of that savings is due to the suspension of a 4.6 percent State COLA for the program that is required to be provided by current law each January. The other $85 million in savings is from the State taking funding the federal government provides to give SSI/SSP recipients a 2.6 percent COLA on the federal share of their grant.

The Chart on the next page indicates the impact of the proposed reduction on SSI/SSP grant levels.
### SSI/SSP Maximum Monthly Grants
#### Current Law and Governor’s Proposal

<table>
<thead>
<tr>
<th>Recipient Category</th>
<th>April 2005(^a)</th>
<th>January 2006</th>
<th>Change From Current Law</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current Law</td>
<td>Governor’s Budget</td>
<td>Amount</td>
</tr>
<tr>
<td><strong>Individuals</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSI</td>
<td>$579</td>
<td>$592</td>
<td>$592</td>
</tr>
<tr>
<td>SSP</td>
<td>233</td>
<td>253</td>
<td>220</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$812</strong></td>
<td><strong>$845</strong></td>
<td><strong>$812</strong></td>
</tr>
<tr>
<td>Percent of Poverty(^b)</td>
<td>105%</td>
<td>109%</td>
<td>105%</td>
</tr>
<tr>
<td><strong>Couples</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSI</td>
<td>$869</td>
<td>$889</td>
<td>$889</td>
</tr>
<tr>
<td>SSP</td>
<td>568</td>
<td>606</td>
<td>548</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$1,437</strong></td>
<td><strong>$1,495</strong></td>
<td><strong>$1,437</strong></td>
</tr>
<tr>
<td>Percent of Poverty(^b)</td>
<td>138%</td>
<td>144%</td>
<td>138%</td>
</tr>
</tbody>
</table>

\(^{a}\) The 2004-05 Budget Act delayed the January 2005 state COLA until April 2005.

\(^{b}\) 2004 U.S. Department of Health and Human Services Poverty Guidelines. The guidelines are adjusted annually for inflation.
GOVERNOR'S PROPOSAL AND JUSTIFICATION:

From the Governor's 2005-2006 Budget Summary:

Given the State's severe fiscal constraints, the Administration proposes that the January 2006 State COLA (4.6 percent) be suspended, and the pass-through of the January 2006 federal COLA (2.3 percent) be withheld for General Fund savings of $258.9 million in 2005-06 and $517.8 million annually thereafter. As reflected in Figure HHS-16, even with these actions, California continues to provide the highest level of cash grants to SSI/SSP recipients among the ten most populous states.

Figure HHS-16
Comparison of 2004-2005 SSI/SSP Maximum Payments for the Ten Most Populous States

<table>
<thead>
<tr>
<th>State</th>
<th>Monthly Grants for Independent Living Arrangement</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aged and Disabled</td>
<td></td>
<td></td>
<td>Blind</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Individuals</td>
<td>Couples</td>
<td></td>
<td>Individuals</td>
<td>Couples</td>
</tr>
<tr>
<td>California</td>
<td>$812</td>
<td>$1,437</td>
<td></td>
<td>$877</td>
<td>$1,664</td>
</tr>
<tr>
<td>New York</td>
<td>666</td>
<td>973</td>
<td></td>
<td>566</td>
<td>973</td>
</tr>
<tr>
<td>New Jersey</td>
<td>610</td>
<td>894</td>
<td></td>
<td>510</td>
<td>894</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>606</td>
<td>913</td>
<td></td>
<td>506</td>
<td>913</td>
</tr>
<tr>
<td>Michigan</td>
<td>593</td>
<td>897</td>
<td></td>
<td>593</td>
<td>897</td>
</tr>
<tr>
<td>Florida</td>
<td>579</td>
<td>869</td>
<td></td>
<td>579</td>
<td>869</td>
</tr>
<tr>
<td>Georgia</td>
<td>579</td>
<td>869</td>
<td></td>
<td>579</td>
<td>869</td>
</tr>
<tr>
<td>Texas</td>
<td>579</td>
<td>869</td>
<td></td>
<td>579</td>
<td>869</td>
</tr>
<tr>
<td>Illinois</td>
<td>579</td>
<td>869</td>
<td></td>
<td>579</td>
<td>869</td>
</tr>
<tr>
<td>Ohio</td>
<td>579</td>
<td>869</td>
<td></td>
<td>579</td>
<td>869</td>
</tr>
</tbody>
</table>

1 The January 2005 federal maximum payments are $579 per individual, and $869 for a couple.
2 The 2004-05 SSI COLA was delayed until April, 2006. The grant levels for California reflect provision of this COLA.
3 Reflects the federal SSI maximum payment only, as these states do not provide supplemental payments for an independent living arrangement.
4 Illinois does not have a standard SSI allowance. Any supplements are based upon individual needs and circumstances.
HOW DOES CALIFORNIA COMPARE TO OTHER STATES?

Although the SSI/SSP grant level is higher than other States, the State’s housing costs are also much higher:

<table>
<thead>
<tr>
<th>COMPARISON OF SSI GRANTS AND HOUSING COSTS</th>
<th>Studio Grant Level</th>
<th>Individual Grant Level</th>
<th>%</th>
<th>1 Bed Grant Level</th>
<th>Couples Grant Level</th>
<th>%</th>
<th>2 Bed Grant Level</th>
<th>Couples Grant Level</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>$ 772</td>
<td>$ 812</td>
<td>105%</td>
<td>$ 902</td>
<td>$ 1,437</td>
<td>159%</td>
<td>$ 1,104</td>
<td>$ 1,437</td>
<td>130%</td>
</tr>
<tr>
<td>Ohio</td>
<td>$ 440</td>
<td>$ 579</td>
<td>132%</td>
<td>$ 505</td>
<td>$ 869</td>
<td>172%</td>
<td>$ 628</td>
<td>$ 869</td>
<td>138%</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>$ 522</td>
<td>$ 606</td>
<td>116%</td>
<td>$ 596</td>
<td>$ 913</td>
<td>153%</td>
<td>$ 719</td>
<td>$ 913</td>
<td>127%</td>
</tr>
<tr>
<td>Michigan</td>
<td>$ 532</td>
<td>$ 593</td>
<td>111%</td>
<td>$ 587</td>
<td>$ 897</td>
<td>153%</td>
<td>$ 706</td>
<td>$ 897</td>
<td>127%</td>
</tr>
<tr>
<td>Texas</td>
<td>$ 531</td>
<td>$ 579</td>
<td>109%</td>
<td>$ 590</td>
<td>$ 869</td>
<td>147%</td>
<td>$ 720</td>
<td>$ 869</td>
<td>121%</td>
</tr>
<tr>
<td>Illinois</td>
<td>$ 602</td>
<td>$ 579</td>
<td>96%</td>
<td>$ 696</td>
<td>$ 869</td>
<td>125%</td>
<td>$ 803</td>
<td>$ 869</td>
<td>108%</td>
</tr>
<tr>
<td>Georgia</td>
<td>$ 601</td>
<td>$ 579</td>
<td>96%</td>
<td>$ 651</td>
<td>$ 869</td>
<td>133%</td>
<td>$ 734</td>
<td>$ 869</td>
<td>118%</td>
</tr>
<tr>
<td>Florida</td>
<td>$ 601</td>
<td>$ 579</td>
<td>96%</td>
<td>$ 674</td>
<td>$ 869</td>
<td>129%</td>
<td>$ 799</td>
<td>$ 869</td>
<td>109%</td>
</tr>
<tr>
<td>New York</td>
<td>$ 767</td>
<td>$ 666</td>
<td>87%</td>
<td>$ 832</td>
<td>$ 973</td>
<td>117%</td>
<td>$ 945</td>
<td>$ 973</td>
<td>103%</td>
</tr>
<tr>
<td>New Jersey</td>
<td>$ 810</td>
<td>$ 610</td>
<td>75%</td>
<td>$ 905</td>
<td>$ 894</td>
<td>99%</td>
<td>$ 1,058</td>
<td>$ 894</td>
<td>84%</td>
</tr>
</tbody>
</table>

Thus, when adjusted for the cost of housing alone, the State’s SSI/SSP grant level is actually lower in real terms than some of the states that provide much lower total grant levels.

PANELISTS:

Bob Sertich
Department of Social Services

Mike Herald
Western Center on Law and Poverty

Marty Omoto
California Disability Community Action Network

STAFF COMMENT:

Although the Assembly has voted to freeze State COLAs for SSI/SSP in the last five years, it has never taken action to freeze the federal COLA given to these grantees.
### ISSUE #2: IN HOME SUPPORTIVE SERVICES QUALITY ASSURANCE

The Subcommittee will discuss the implementation of an IHSS caseload standard initiative authorized in last year’s Human Services Trailer Bill (SB 1104).

### BACKGROUND:

Last year’s budget assumed savings in the IHSS program budget through the enactment of a Quality Assurance (QA) initiative in the IHSS program that was outlined in SB 1104. The QA Initiative included a number of enhanced activities to be performed by DSS, the counties, and the California Department of Health Services to improve the quality of IHSS service need assessments, enhance program integrity, and detect and prevent program fraud and abuse. As part of the effort, the State funded: (1) State and county staffing augmentations specifically for QA activities, (2) funding to establish an ongoing State training component for IHSS/PCSP workers, and (3) funding for specified systems changes tied to QA and program integrity improvements.

### IMPLEMENTATION:

DSS began implementing the provisions of the QA Initiative in September, 2004 and has formed six workgroups to examine each of the components to the initiative. The groups began meeting in January and all six of them will complete their work by September 2005. The specific topic of each workgroups is:

1) Regulations Development

2) Social Worker Training

3) State/County Quality Assurance Process

4) Hourly Task Guidelines

5) Forms Development (Standard Protective Supervision and Provider Enrollment form)

6) Fraud/Data Evaluation: Processes for overpayment fraud reporting, data match development and discrepancies, error rate study, verification of services, etc.
STAFF COMMENT:

Standardization of the assessment model used for IHSS cases is an essential step the State must take to ensure that the program is consistent across counties. Last year the Subcommittee received evidence that suggested that the number of hours assessed to IHSS clients in different counties varied.
ISSUE #3: IHSS DATA SECURITY BREACH

The Subcommittee will receive an update on DSS’s efforts to notify individuals that could have had their personal information stolen during a breach in computer security.

BACKGROUND:

There was unauthorized access to a computer at UC Berkeley containing data for participants in the In Home Supportive Services program. That data was being used for research purposes and was obtained under appropriate authorization from the Department of Social Services (CDSS). UC and DSS cannot determine with certainty that personal information was accessed but CDSS is working closely with law enforcement in their investigation.

CDSS is authorized by law to share program information for research purposes, pursuant to Section 10850(c) of the Welfare and Institutions Code and Section 19-004.8 of CDSS’ Manual of Policies and Procedures. This data can include individual data including name, address, social security number, telephone number and date of birth.

The Department of Social Services reports taking the following steps to notify individuals that could be threatened by this breach:

- Over 1.6 million letters were mailed to IHSS recipients and providers notifying them of the breach in security. The letter was available in 13 different languages.
- The Department has contacted over 600 press/media outlets about the breach and those affected
- DSS established a call center that received over 55,650 calls over a 17-week period.
- The DSS website has received over 13,223 unduplicated visits over a 21-week period.

PANELIST:

- Bob Sertich
  Department of Social Services
STAFF COMMENT:

The chart below details security breeches at UC campuses and the number of individuals that could have been affected:

<table>
<thead>
<tr>
<th>UC Personal Information Security Breaches</th>
<th>Campus</th>
<th>Date</th>
<th>Number Affected</th>
<th>Situation</th>
<th>Populations Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Los Angeles</td>
<td>Jun-04</td>
<td>145,000</td>
<td>Stolen Laptop</td>
<td>Blood Donors</td>
</tr>
<tr>
<td></td>
<td>Los Angeles</td>
<td>Jun-04</td>
<td>62,000</td>
<td>Stolen Laptop</td>
<td>Health Records</td>
</tr>
<tr>
<td></td>
<td>Berkeley</td>
<td>Mar-05</td>
<td>98,000</td>
<td>Stolen Laptop</td>
<td>Graduate School Alumni/Students/Applicants</td>
</tr>
<tr>
<td></td>
<td>Berkeley</td>
<td>Aug-04</td>
<td>1,400,000</td>
<td>Hacking</td>
<td>IHSS Providers and Recipients</td>
</tr>
<tr>
<td></td>
<td>San Diego</td>
<td>Jan-05</td>
<td>3,500</td>
<td>Hacking</td>
<td>Extension Students</td>
</tr>
<tr>
<td></td>
<td>San Diego</td>
<td>Apr-04</td>
<td>380,000</td>
<td>Hacking</td>
<td>Student/Alumni Information</td>
</tr>
<tr>
<td></td>
<td>Santa Barbara</td>
<td>Mar-05</td>
<td>Under 300</td>
<td>Hacking</td>
<td>Grade Changing</td>
</tr>
<tr>
<td></td>
<td>Davis</td>
<td>Apr-05</td>
<td>1,100</td>
<td>Hacking</td>
<td>Plant Biology Students</td>
</tr>
</tbody>
</table>
ISSUE #4: FOOD STAMP POLICY CHANGES

The Budget includes a proposal to expand Food Stamps eligibility and the California Food Policy Advocates would like to use waivers to expand eligibility even further.

BACKGROUND:

The Governor’s Budget includes a proposal to simplify Food Stamp rules by conforming the current rules for Non-Assisted Food Stamps to CalWORKs rules for certain types of income and child support. Effective January 2006, DSS intends to use the current CalWORKs rules for child support, income (educational loans, scholarships, grants, child support disregard), resources (restricted accounts, IDA, IRA, retirement), and a Standard Utility Allowance for Non-Assisted Food Stamp cases. The proposed change has a one-time cost of about $400,000 to implement, but is expected to result in State residents receiving $15 million of additional federal Food Stamp benefits per year.

ABAWD WAIVER:

The California Food Policy Advocates requests that the state seek an ABAWD Waiver for all eligible areas—either individual counties or the state as a whole. ABAWDs are Able-Bodied Adults Without Dependents between the ages of 18 and 49. As a result of the 1996 welfare reform law, ABAWDs are subject to strict time limits on their food stamp benefits. Unless an ABAWD recipient is working 20 hours a week or participating in workfare, they can only get food stamps for 3 months out of a 3-year period. Food stamp participation among ABAWDs has plummeted by almost 70 percent since 1996. According to the Urban Institute, low-income adults without children are at serious risk of going hungry, which diminishes their chances of success in the workplace. Almost 40 percent of ABAWDs worry about or have problems affording food.

Federal law includes protections in place to allow ABAWDs living in areas of high unemployment to receive food stamps beyond the 3-month time limit. These areas are ones that:

1. Have an unemployment rate which exceeds 10 percent; or
2. Do not have a sufficient number of jobs to provide employment for the individuals.

A list of areas eligible for waivers is generated each year. States that provide extended unemployment benefits in the past year are eligible for a waiver for the entire state in the following year. In 2004, the entire state of California was eligible for a waiver because the state was eligible for extended unemployment benefits in 2003. In addition, over 35 counties were eligible for full or partial waivers. In 2005, 25 full counties and many large cities are eligible for waivers. USDA approved waivers in 45 states in FY 2004. Many of these waivers...
covered entire states (e.g. Alaska, D.C., Louisiana, Michigan, New Mexico, North Carolina, Oregon, South Carolina, Washington) while others were obtained for all eligible sub-areas (such as specific counties and zip codes). Twenty-three states have comprehensive ABWAD waiver policies.

In 1997, ABAWD waivers were granted to Central Valley counties that were hurt by the citrus freeze. As counties began asking for waivers, the state Department of Social Services required a unique and time consuming process. Rather than requesting all waivers at once from USDA, the state required that each local county Boards of Supervisors take action before a request was made. As the waivers are in effect for just one year, this lengthy process means that ABAWDs miss out on months of food stamps.

In 2004, the state Department of Social Services did not request a statewide waiver, even though California was eligible. And although more than 35 counties were eligible for full or partial waivers, only 18 counties received a waiver.

**PANELISTS:**

Charr Lee Metsker  
Department of Social Services

George Manalo-LeClair  
California Food Policy Advocates

Brooke Wentworth  
Food Link of Tulare County

**STAFF COMMENT:**

In 2002-2003, the Subcommittee adopted language to require the State to seek all possible waivers for ABAWDS. The language was struck in Budget Conference Committee.

This proposal is currently a provision in AB 696 (Chu), a bill to increase participation in the federal Food Stamps program.
ITEM 0530 HEALTH AND HUMAN SERVICES AGENCY
ITEM 4130 HEALTH AND HUMAN SERVICES AGENCY DATA CENTER
ITEM 5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE #5: CMIPS I AND CMIPS II

The Subcommittee will discuss the status of two IHSS computer systems.

BACKGROUND:

The IHSS program was established in 1973 in DSS as a program to provide in-home supportive services to qualified, aged, blind, and disabled persons. In 1979, DSS contracted with Electronic Data Systems (EDS) for the development and operation of a Case Management Information and Payment System (CMIPS) for the IHSS program. In 1998, DSS was directed by state control agencies to conduct a competitive procurement for a new contract for the maintenance of the system. As with other DSS-related projects, HHSDC was assigned responsibility for the procurement activities.

CHANGES TO CMIPS I:

The IHSS Plus Waiver and the Quality Assurance Initiative have both made significant programmatic changes to the IHSS program. The changes resulted in $1.3 million ($600,000 General Fund) in programming changes to the existing CMIPS system that was conducted this year. DSS expects to spend $13.9 million ($4.7 million General Fund) in the budget year to maintain the current CMIPS system.

BUILDING CMIPS II:

The Governor’s Budget includes a Budget Change Proposal (BCP) to extend four limited-term positions to continue the procurement of CMIPS II and $213,000 to fund an Independent, Verification, and Validation (IV&V) contract.

The Governor’s Budget includes a BCP to extend 6.0 limited-term positions to continue the procurement of CMIPS II. The Governor’s Budget also calls for 6.0 new limited-term positions starting in November 2005 to prepare for contractor startup, followed by 4.0 new limited-term positions starting in February 2006 to coincide with contract award and implementation phase startup.

The Administration expects to begin implementing the next phase of the CMIPS system in January 2006. Implementation is expected to take six years. Overall the Budget assumes $13.7 million ($6.8 million General Fund) to begin implementation of the new version of CMIPs.
SPRING FINANCE LETTER:

The Department of Finance has issued an April 1, 2005 Spring Finance Letter that would make technical adjustments to the budget bill to make it consistent with the budgeting of new computer systems that the State is interested in procuring.

PANELIST:

Bob Fergison
Department of Social Services

STAFF COMMENT:

The original CMIPS system was a payrolling system designed to process time cards for IHSS workers. As the IHSS program evolved, the original CMIPS system was modified to include some functionality needed for case management of the program. However, the existing system cannot accommodate all existing program requirements and it cannot be modified sufficiently to address the increasing complexity of the IHSS program.

The Governor’s budget contains trailer bill language to move the CMIPS projects from the Health and Human Services Agency Data Center to the Health and Human Services Agency. The Subcommittee will consider this proposal at the May 4th Hearing.
 ISSUE #6: STATEWIDE FINGERPRINT IMAGING SYSTEM

The Subcommittee will consider changes to the Statewide Fingerprint Imaging System (SFIS).

BACKGROUND:

The Governor’s Budget contains $8 million General Fund to maintain the Statewide Fingerprint Imaging System.

The 1996 Social Services Budget Trailer Bill required applicants and recipients of CalWORKs or Food Stamps benefits to be fingerprinted as a condition of eligibility. As a result, the Department of Social Services adopted regulations that require the following groups to be both fingerprinted and photographed in order to receive benefits:

1. Parents and caretaker relatives of the child that live in the home of the child.
2. Parents and caretaker relatives applying for aid on the basis of an excluded child.
3. Aided adults.
4. Aided applicant pregnant women.

In addition, in some California counties undocumented adults are required to be photographed and fingerprinted as a condition for an eligible family member to receive CalWORKs or Food Stamp benefits. Undocumented adult family members are not eligible for Food Stamps, CalWORKs or the California Food Assistance Program. According to advocates, if an undocumented adult refuses to be photographed and fingerprinted, the entire family can face sanctions or be denied eligibility.

The original justification for the SFIS program is based upon a pilot program in Los Angeles County called AFFIRM. A 1997 evaluation of the AFFIRM program showed that fingerprinting all welfare clients would save an estimated $53-65 million per year in Los Angeles County alone by preventing between $59-82 million in welfare fraud.

SFIS is designed to prevent "Multiple Case Fraud" when an individual receives multiple aid payments by applying for benefits using different identities or residency in multiple counties.

The California State Auditor has conducted an audit of the SFIS system. Among the findings of the auditor:

- DSS implemented SFIS without determining the extent of duplicate-aid fraud throughout the State.

- DSS estimated statewide savings from SFIS based upon an evaluation of LA County's system without conducting its own evaluation.
• Since SFIS does not collect statewide data, there is no way to verify the actual amount of savings from the system.

**PANELIST:**

Charr Lee Metsker  
Department of Social Services

George Manalo-LeClair  
California Food Policy Advocates

Cindy McCown  
Second Harvest Food Bank

**STAFF COMMENT:**

All CalWORKs and Food Stamp cases are also screened by the Income Eligibility and Verification System (IEVS) system, which provides a more comprehensive screening of the applicant that would, if used correctly, be more effective at catching multiple case fraud than the SFIS system.

Assembly Budget Subcommittee #1 has previously taken action to eliminate the SFIS system in the FY 01-02, 02-03, 03-04, and 04-05 budgets.

Eliminating the SFIS system is a provision of AB 696 (Chu) intended to expand access to food stamp programs.
ITEM 4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

ISSUE #7: NATURALIZATION SERVICES PROGRAM

The Governor’s Budget proposes to eliminate all funding for the Naturalization Services Program (NSP).

BACKGROUND:

The NSP provides community-based citizenship training services to immigrants throughout the State. Services provided include outreach, skills assessment, citizenship preparation and assistance, and advocacy/follow-up services.

In the current year, the program received $1.5 million State General Fund to serve an estimated 12,000 individuals. The Governor’s Budget proposes to eliminate this program in the budget year.

NSP had been funded by as much as $7 million per year in recent years. The chart below illustrates the historic funding levels for the NSP program.

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PANELISTS:

John Fitzpatrick
Department of Finance

Margie Dunlap
International Institute of San Francisco

Doug Keegan
Santa Cruz County Immigrant Rights Project

Jeannette Zanipatin
California Immigrant Welfare Collaborative

STAFF COMMENT:

NSP is extremely cost-effective, serving immigrants for an average cost of $163 per individual. The NSP services help legal immigrants become citizens which results in better employment opportunities and improved civic engagement. Also citizenship enables individuals receiving assistance for a State-only program like
CAPI to qualify for federal programs like SSI/SSP, saving the State significant funding.

In previous years, the Administration has suggested that the NSP program could be restored using federal EL Civics funding that is provided to the Department of Education. The Legislature has twice taken action to use these funds for this purpose, but has not been able to find a way to make the delivery system of the NSP program consistent with the federal funding requirements of the EL Civics funding.

**ITEM 4170  DEPARTMENT OF AGING**

**ISSUE #8: MULTIPURPOSE SENIOR SERVICE PROGRAM**

MSSP providers request additional funding to stabilize their program.

**BACKGROUND:**

Multipurpose Senior Service Program (MSSP) providers request a $1.5 million state General Fund augmentation to strengthen the capacity of the MSSP program to continue to serve its most impaired elders. This will assure viability of the program until such time as the state’s fiscal situation improves and a stable funding formula can be devised.

Forty-one MSSP sites provide social and health care management for frail elderly clients who are certifiable for placement in a nursing facility but who choose to live at home with MSSP support. The goal of the program is to prevent or delay premature nursing home placement of these very frail clients. The program has operated under a federal Medicaid 1915 (c) waiver since 1983.

MSSP has had only one small funding increase since its inception in 1983.
PANELISTS:

Erin O'Keefe  
MSSP Providers

STAFF COMMENT:

MSSP is a community-based option designed to provide services to low income individuals at-risk of institutionalization. Many senior advocates believe that the program is a cost effective alternative to other treatment options.

ISSUE #9: PUBLIC COMMENT ON ALL DEPARTMENTS HEARD TODAY