



Health

Department of Health Services



MAJOR ACTIONS

- ◆ **Aids Drug Assistance Program (ADAP).** Provides full funding of ADAP, as proposed in the May Revision.
- ◆ **Caseload Caps on Health programs.** Provides full funding for all programs that the Governor proposed be capped in his January budget proposal. The May Revision also provided full funding.
- ◆ **Medi-Cal Provider Rate Reduction.** Provides full funding for Medi-Cal provider rates. The Governor originally proposed a 10 percent provider rate reduction in its Mid-Year reduction and January 10 budget proposal. This was in addition to the five percent rate reduction enacted as part of the 2003-2004 Fiscal Year Budget. The state has been enjoined by state courts from implementing the five percent proposal on the Medi-Cal Program. The May Revision rescinded virtually all of the rate reductions except the reductions for Medi-Cal Managed Care Plans and state-only programs such as California Children's Services and Genetically Handicapped Persons Program. However, the subcommittee restored all funding rate reductions.
- ◆ **California Children's Services and Genetically Handicapped Persons Program Rate Restoration.** Restores the provider rates for the state-only programs that were not affected by the Sate Court's decision to enjoin the state from applying the rates to the Medi-Cal Program. The state only program providers are on par with the Medi-Cal providers as a result of the action by the Subcommittee.
- ◆ **Federally Qualified Health Centers/Rural Health Centers (FQHC/RHC).** Rejects the Governor's proposal to repeal the alternate reimbursement methodology for FQHCs and RHCs.
- ◆ **Pharmacy Reimbursement.** Approves the May Revision proposal to fundamentally change the reimbursement of pharmacists. There are two components to the pharmacist reimbursement: reimbursement for the drugs dispensed and a dispensing fee. Currently the pharmacists are over paid for the cost of ingredients and underpaid for the professional service of dispensing the drugs. The new

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methodology reduces the reimbursement for drugs and raises the professional dispensing fee for the pharmacists.

- ◆ **Domestic Violence Prevention.** Approves trailer bill language that permits a county, at its discretion, to impose a \$2 add on to death certificates, marriage licenses and birth certificates for the purpose of funding local domestic violence prevention programs.

Department of Developmental Services

■ **MAJOR ACTIONS**

- ◆ **Statewide Purchase of Services Standards.** Rejects the Governor's proposal for Statewide Purchase of Services Standards for the Regional Center System.
- ◆ **The Family Cost Participation Program.** Establishes a family co-payment program that would require families with incomes 400 percent of Federal Poverty Level or more to make co-payments for family services received under the aegis of the Regional Center System. The co-payment is sensitive to the families income composition and required for respite, day care and camping.
- ◆ **Closure of Agnews Developmental Center.** Approves the May Revision proposal to delay the closure of the Agnews Developmental Center for one year. The Administration proposed spending \$11 million on upgrading the Sonoma Developmental Center so that up to 200 clients of Agnews could be placed there. In addition, the Department is working on new licensure categories so the other clients could be placed in facilities more suitable to their needs.

Department of Mental Health

■ **MAJOR ACTIONS**

- ◆ **AB 3632 Special Education Pupils Mandate.** Increases commitment to fund mandate for special education pupils to \$100 million in federal special education funding.
- ◆ **Children's System of Care.** Restores \$20 million General Fund to continue commitment to provide a continuum of care as part of a mental health safety net for children.

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- ◆ **Early Mental Health Initiative.** Restores \$5 million in funding for cost effective programs for children in grades K - 3 to address early mental health problems. Also provides for one departmental staff to run the grant process.
- ◆ **Early and Periodic Screening, Diagnosis, and Treatment Program (EPSDT).** Rejects the Governor's proposal to increase the counties' share of cost to 20 percent from 10 percent for the growth in the program. But, increases auditing of county claims for EPSDT expenditures for an estimated savings of nearly \$9 million.
- ◆ **Sexually Violent Predators.** Directs the Administration and the Department of Mental Health to introduce significant reform proposals in the policy process.
- ◆ **Coalinga State Hospital.** Delays the opening and activation of the newest state mental hospital in Coalinga by one month for a savings of nearly \$10 million General Fund.



SOCIAL SERVICES

Department of Social Services

CalWORKS



MAJOR ACTIONS

- ◆ **CalWORKS Reform.** Rejects the Governor's CalWORKS reform proposal that would have added new work participation requirements and reduced grants for families that had been on aid for extended periods or were non-compliant.
- ◆ **CalWORKS grants.** Provides a Cost of Living Adjustment (COLA) on July 1, 2004 to the current year grant level. The Governor's budget assumed that grant level would be reduced by 5 percent and that no COLA would be provided to CalWORKS grants in the budget year.
- ◆ **CalWORKS Employment Services.** Provides \$100 million above the May Revision funding level to partially address a \$150 million county shortfall in funding for Employment Services funding in the budget year.

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- ◆ **TANF funds for Juvenile Probation.** Restores \$134 million in funding for county juvenile probation programs using General Fund rather than TANF. The Governor's budget proposed to allow these county funds to sunset on October 1, 2004. These funds comprise a large percentage of the funding provided to counties for their juvenile probation activities.
- ◆ **Tribal TANF.** Restores \$30 million reduction to the Tribal TANF program.
- ◆ **Small Community Programs.** Provides \$1.5 million for Youth Development Services program and the \$2 million Low Income Substance Abused Treatment and Housing program. The Governor's budget proposed to eliminate both programs.
- ◆ **TANF Transfers.** Eliminates of \$180 million in TANF transfers. The Governor's budget proposed to use these transfer funds to replace General Fund obligations in non-CalWORKs related programs.

Food Stamps

■ **MAJOR ACTIONS**

- ◆ **Transitional Food Stamps and expanded Food Stamp eligibility.** Continues recent legislation that expanded eligibility for the food stamp program. The Governor proposed repealing this program in January, but rescinded this proposal after analysis demonstrated that the proposal would result in net loss of General Fund revenue.
- ◆ **Statewide Fingerprint Imaging System (SFIS).** Eliminates funding for the SFIS system for a budget year savings of \$8.5 million.

In Home Supportive Services

■ **MAJOR ACTIONS**

- ◆ **IHSS Residual Program Waiver.** Adopts proposed waiver for the IHSS Residual Program, resulting in \$208 million in savings. In the May Revision, the Governor chose to seek federal funding for this program in lieu of a January proposal to eliminate all IHSS services that are not eligible for federal funding.

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- ◆ **IHSS Provider Wages.** Continues existing law that requires the state to match county wages up to \$9.50 per hour plus \$.60 per hour for benefits. The Governor proposed to reduce the state's participation to the minimum wage level of \$6.75 total.
- ◆ **IHSS Employer of Record.** Continues existing law requiring all counties have an employer of record. An employer of record is necessary for homecare workers to organize for purposes of collective bargaining.
- ◆ **IHSS Quality Assurance Initiative.** Approves May Revision proposal to save \$49.6 million by improving the assessment of the IHSS caseload.
- ◆ **Necessary Domestic Services.** Rejects proposed trailer bill language that would have sought a federal waiver to allow the state to cease providing some domestic services to IHSS recipients that live with relatives.

Child Care and Development

■ MAJOR ACTIONS

- ◆ **Transfer of 11 and 12 year olds to afterschool programs.** Rejects Governor's proposal to save \$36.4 million by shifting 11 and 12 year olds in child care programs to afterschool programs.
- ◆ **Time-limiting of Stage 3 Child Care.** Rejects Governor's proposal to institute a time limit on CalWORKs Stage 3 child care that would take effect in future years.
- ◆ **Tiered Reimbursement.** Rejects Governor's proposal to set child care providers maximum reimbursement rates at levels that reflect the market and accreditation levels of the providers. The proposed reimbursement levels would have reduced the maximum rate for most of the providers in the State.
- ◆ **Tiered Eligibility.** Rejects Governor's proposal to set the maximum income a family could earn and still qualify for child care at lower levels for most counties in the state. The proposal would have set the maximum income level for each county at one of three different maximum income levels the corresponded with the county's cost of living.
- ◆ **Increase Family Fees.** Rejects Governor's proposal to increase family fees for child care and expand the number of families required to pay a family fee.

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- ◆ **Overpayment and Fraud Collections.** Appropriates \$4.5 million to conduct a comprehensive child care compliance effort using the staff at the Department of Education and local welfare fraud investigators at counties. The effort is expected to yield \$1.5 million in savings in the budget year. This also contains language to address child care program integrity concerns.
- ◆ **Child Development Policy Advisory Committee.** Restores funding for the Child Development Policy Advisory Committee. Funding for the committee was vetoed in the 2003-04 budget.
- ◆ **Afterschool programs.** Appropriates \$60.8 million in federal afterschool funds for the California Department of Education to provide funding to local programs as a block grant of funding.

Immigrant Programs

 **MAJOR ACTIONS**

- ◆ **Immigrant Programs.** Provides full funding for the California Food Assistance Program (CFAP), Cash Assistance Program for Immigrants (CAPI), and CalWORKs for Legal Immigrants at the State level. The Governor's January Budget proposed to block grant these programs to counties at a level below full funding.
- ◆ **SSI Advocacy Project.** Approves requirement that counties with large CAPI populations implement a program designed to increase the number of CAPI recipients that qualify for federal SSI/SSP.
- ◆ **California Cash Veterans Benefit Program.** Restores funding for the California Cash Veterans Benefit program, which allows 1,700 Filipino Veterans of WWII that left California to return to the Philippines to maintain their SSI/SSP grant levels at the level they received in California.

Child Welfare and Foster Care

 **MAJOR ACTIONS**

- ◆ **Foster Care Reform.** Approves \$21.9 million in savings from reduce foster care caseload and by shifting to an annual reassessment of foster care caseloads. The Assembly rejects other proposals that would have reduce the foster family rates for probate guardians and relative caregivers and would have empowered the

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Department of Social Service to issue regulations regarding contracting and auditing of foster care contractors.

- ◆ **County Share for Child Welfare Services Augmentation Funding.** Rejects proposal that would require counties to match state and federal funds that were provided to counties to address a critical shortage in child welfare social workers.
- ◆ **Child Welfare Services-Case Management System (CWS-CMS).** Modifies CWS-CMS computer system to allow enhanced federal participation. The state's effort will focus on addressing federal concerns about the procurement and structure of the current system.

**Supplemental Security Income/State
Supplemental Program (SSI/SSP)**

■ MAJOR ACTIONS

- ◆ **Federal COLA pass through.** Rejects Governor's proposal to not pass-through the 2.2 percent January 1, 2005 federal Cost of Living Adjustment for the SSI portion of the SSI/SSP program.
- ◆ **State COLA.** Rejects the Governor's proposal to cut the 2.75 percent January 1, 2005 state Cost of Living Adjustment for the SSP portion of the SSI/SSP program.

Community Care Licensing

■ MAJOR ACTIONS

- ◆ **Community Care Licensing Fees.** Continues community care licensing fees at the current year level. The Governor's budget proposed raising the licensing fee over three years to fully cover the costs of the Community Care Licensing Division.
- ◆ **Fingerprinting fee for small child care providers.** Rejects the Governor's proposal to require small child care providers to pay the fees the FBI and Department of Justice charge for fingerprinting as part of the Community Care Licensing process. Under current law, the state will begin paying for these fees again on July 1, 2004
- ◆ **Increased Community Care Licensing Staffing.** Authorizes \$5.9 million for 76.7 positions to handle an increase in workload and a backlog of community care licensing workload.

Department of Child Support Services

■ MAJOR ACTIONS

- ◆ **Federal Automation Penalty.** Defers the \$220 million federal penalty to FY 2005-2006. Counties would not have to pay a penalty in the budget year.
- ◆ **Local Share of Child Support Collections.** Continues the reimbursement of the county share of child support collections, the Governor's budget had proposed that the State keep the estimated \$39 million county share in the budget year.
- ◆ **Child Support Statewide Automation System.** Provides \$18.2 million to continue the Child Support Statewide Automation System. The state must complete the system to avoid the federal penalty.

Department of Aging

■ MAJOR ACTIONS

- ◆ **Block Granting of Aging Funds.** Rejects the Governor's proposal to block grant and reduce funding for community-based services to local agencies on aging.

Department of Community Services and Development

■ MAJOR ACTIONS

- ◆ **Naturalization Services Program.** Appropriates \$3 million to conduct citizenship training through community-based nonprofits.