



May 10, 2019

To: The Honorable Eloise Gómez Reyes
Chair, Assembly Budget Subcommittee No. 1

Honorable Members
Assembly Budget Subcommittee No. 1

From: Frank J. Mecca, Executive Director

**RE: CWDA BUDGET REQUESTS FOR CONSIDERATION IN
THE 2019-20 MAY REVISION**

The County Welfare Directors Association of California (CWDA) would like to express appreciation for the collaboration and hard work of the Administration and Legislature regarding several issues addressed in the May Revision. Overall the Administration's proposed budget contains important investments in California's low-income and vulnerable children and families. We do continue to have some areas of concern and additional requests for investment. The following memo summarizes those issues.

CalWORKs Stage One Child Care

The May Revision includes \$40.7 million in 2019-20 to establish a 12-month eligibility period for CalWORKs Stage One Child Care Services. As part of that policy change, the Administration proposes to separate the Stage One Child Care component from the rest of the CalWORKs Single Allocation. While we support the policy change around 12-month eligibility and we understand the rationale for removing Stage One Child Care funding from the CalWORKs Single Allocation, we are opposed to the immediate change to the historical funding structure and request a delay of one fiscal year, until 2020-21.

The flexibility to transfer funds across the four Single Allocation components (Eligibility, Employment Services, Stage One Child Care, and Cal Learn) has been a feature of the Single Allocation since CalWORKs was created over 20 years ago, and counties make budget decisions assuming the existence of this flexibility. Although the Administration argues that the budget methodologies for the Eligibility and Employment Services components have been updated so there is no need for flexibility with the Stage One Child Care funds, the work on the Employment Services component is not yet complete. As mentioned in the next section of this letter, discussions around direct services funding are still to be had and the case work metrics established for some cases are currently inadequate. While the budgeting methodology for the Eligibility component is vastly improved, there are still unaddressed issues that may require adjustments to that component in the future to ensure it is

adequately funded.

Due to the lack of time to prepare for such a sweeping change, **CWDA is asking for a one-year delay to allow for adequate time to transition the Child Care component** out of the Single Allocation, as opposed to the change taking effect in six short weeks. There is simply not enough time for counties to change their budgets in such a significant way and operationally adapt as needed. The result will be a potential loss of tens of millions of dollars in services and administrative support to the program, including county staff. Delaying the change until 2020-21 would allow work to complete the budget methodologies to continue and counties time to adequately plan for the funding restructuring.

CalWORKs Employment Services

While work so far on revising the budgeting methodology for the Employment Services component has been collaborative and enlightening on all sides, the effort to appropriately budget for the Employment Services component is not yet complete. Efforts to revise this budgeting methodology to this point have been focused on the “case management” portion of Employment Services, while the direct services portion will be emphasized in ongoing discussions.

The revised budget methodology includes estimates of effort for case work associated with an array of case types in Employment Services, including “Intensive”, “Basic”, “Light”, and “Exempt/Long Term Sanction,” funding a different amount of hours per case, per month for each of these case types. Generally, this aligns more with actual support provided by county staff for these types of cases. However, for “Intensive” cases, the budget methodology includes only five hours per case, per month. Through implementation of CalWORKs 2.0 and detailed case reviews performed by counties during the development of the budget methodology, these intensive cases require much more support. Furthermore, the outcomes mutually identified by CDSS, counties, and stakeholders through the CalOAR development process will require more case work with these intensive cases than the budget methodology currently assumes.

CDSS staff have indicated that the current case work assumptions, particularly for the intensive cases, is a work in progress that they expect to evolve over time as CalOAR and CalWORKs 2.0 continue to roll out statewide. But because of the heightened needs of this group of cases that we already know exists, **CWDA is requesting trailer bill language expressing the intent that the intensive case work hours be increased to at least 10 hours per case, per month beginning in 2020-21.** This level of effort is a more accurate, yet conservative, number of hours needed to successfully work with these clients even without the added performance expectations promised by CalWORKs 2.0 and CalOAR. **We also request the trailer bill language specify that the case work metrics will continue to be discussed and refined in the subsequent budget methodology discussions on direct**

services.

CalFresh Eligibility Expansion to SSI Recipients

The May Revision includes an additional \$15 million GF one-time funding for county administration for implementation of the CalFresh eligibility expansion to SSI recipients, but proposes budget bill language that will restrict the use of the additional funding to “unanticipated county administration costs” subject to approval of the Department of Finance. CWDA is opposed to this particular language. We understand that the intent of the language is to indicate that it is not necessarily going to be provided on an ongoing basis, and that it was not the Administration’s intent to create additional barriers to accessing the funding beyond those reporting mechanisms that are already in place as part of the existing claiming process. Yet this language could be interpreted to mean that the funding could not be used without prior approval and that obtaining approval could require counties cut through burdensome red tape that would divert counties from serving the thousands of SSI recipients who are applying right now for CalFresh benefits. Furthermore, without assurance that the funding will be available in 2019-20 to reimburse counties for actual and immediate implementation expenses, counties will be reluctant to incur those costs.

Therefore, **we request trailer bill language indicating that the \$15 million GF is for the purposes of funding the county administrative workload presented by this extraordinary expansion of CalFresh eligibility and is one-time for 2019-20 pending work together by CDSS, Department of Finance and CWDA over the coming year to update the overall budgeting methodology for CalFresh Administration, which would include an examination of the ongoing workload and costs of the CalFresh SSI expansion.**

Resource Family Approval (RFA)

The May Revision partially restores county administration funding for to support RFA activities for one year, providing one-time funding of \$18.4 million GF for county child welfare agencies to approve resource families to care for children and youth in the foster care system. CWDA appreciates this change from the January budget proposal but is concerned that support for the RFA process will be reduced by \$6 million in the budget year. As the Legislative Analyst’s Office (LAO) noted in its analysis of the Governor’s January Budget, ensuring timely approvals of resource families is a critical first step in reducing use of congregate care. Cutting funding at the very moment that counties are working diligently to improve the RFA process, and reduce backlogs and wait times, will undermine these efforts. We look forward to continued conversations with the Administration about funding the ongoing workload required by the RFA process.

Foster Care Recruitment, Retention and Support

The May Revision partially restores for Foster Parent Recruitment, Retentions, and Support (FPRRS) at the current level of \$21.6 million GF, on a one-time basis. CWDA appreciates that the Administration recognizes the importance of continued support to resource family caregivers who play a critical role in reducing the use of congregate care and provide permanent homes for foster youth. We continue to believe that there is an ongoing need for this funding and that the funding amount included in the May Revision is inadequate to recruit and retain the numbers of families, and in particular relatives, that we will continue to need to successfully achieve the outcomes of CCR. We look forward to continued conversations with the Administration about the maintaining this critical funding on an ongoing basis.

In-Home Supportive Services (IHSS) Electronic Visit Verification (EVV)

The May Revision includes \$4.1 million GF (\$16.4 million total funds) for EVV administration costs in 2019-20. This change from the Governor's Budget reflects the workload associated with helping enroll existing recipients and providers into either a telephonic or electronic portal so that California can comply with federal EVV requirements beginning in 2019-20. However, the budget does not fund the ongoing workload associated with EVV implementation for counties and public authorities, nor does it account for on-boarding of current registry providers served by public authorities. Therefore, **CWDA is requesting an additional \$8.6 million GF (\$15.6 million total funds) in 2019-20 for ongoing activities.** The additional funds are necessary to assist new providers (including registry providers) and recipients as they enroll into the IHSS program, to concurrently enroll into either the telephonic or electronic portal, and for other activities associated with supporting providers and recipients to comply with EVV requirements.

Previously Submitted Proposals

In addition to the issues identified above, CWDA continues to request consideration of the following budget requests that we have already made and have been discussed in budget subcommittee hearings but are not addressed in the May Revision.

CalWORKs Earned Income Disregard (EID) – We continue to request an update to the CalWORKs EID that is applied to recipients, to change it from \$225 and 50 percent of income to \$500 and 50 percent of income beginning in January 2019 until it increases to \$600 and 50 percent of income beginning January 2022 when the state minimum wage reaches \$15 per hour, and then applying subsequent adjustments in future fiscal years to ensure the EID keeps pace with inflation. Additionally, we are now also proposing to make conforming changes to the Income Reporting Threshold (IRT) in order to factor in the EID and minimize the reporting burden for clients. **This update to the EID will cost \$35 million in 2019-20, increasing to about \$95 million in annual costs at full implementation in 2020-21.** There

is no additional cost associated with our proposal for updating the IRT. Please see our separate May Revision budget memo on the CalWORKs EID.

Family Urgent Response System (FURS) – We continue to request \$15 million GF in 2019-20 and \$30 million GF in 2020-21 and ongoing for the FURS to support foster youth and their caregivers. The purpose of this Response System, which establishes a 24/7 statewide hotline and mobile response teams, is to provide foster youth and their caregivers with the immediate trauma-informed support they need when issues arise, in order to preserve the family unit and link youth and families to longer-term, community-based supports and services. This Response System supports the goals of the Continuum of Care Reform (CCR) to provide timely, in-home supports and services to help families thrive and will reduce the likelihood of re-traumatization of children and youth, reduce law enforcement calls and needless criminalization of youth, and prevent placement disruption. For these important reasons, we continue to request funding for the FURS.

Bringing Families Home (BFH) –We continue to request a one-time appropriation of \$25 million GF to continue and expand this critical program, which provides housing-related supports to child-welfare involved homeless families and those at risk of homelessness in support of family reunification and family maintenance efforts. The BFH Program was established through the 2016-17 Budget Act, appropriating \$10 million state GF on a one-time basis for use over three years with a county match. Since twelve participating counties launched in 2017, in just over a year, 440 families have been permanently housed, with over another thousand families in the queue to receive services, and additional counties cite the need for housing-related assistance for child welfare-involved families. Absent this funding, children will linger in foster care longer and parents will continue to struggle with their reunification efforts.

Adult Protective Services (APS) and Public Administrator/Guardian/Conservator (PA/PG/PC) Training Program – We continue to request \$5.75 million GF over three years to continue and expand support of an APS and PA/PG/PC training program and infrastructure that was previously funded by the Legislature in 2016 and leveraged with federal funds. Without continued funding, the current training system will be dismantled, with just \$88,000 GF (\$176,000 total funds) to be shared among 58 county APS programs, leaving counties less able to serve this growing vulnerable and elderly and dependent population.

Disaster CalFresh Automation – We continue to request \$900,000 GF (\$1.8 million total funds) to automate Disaster CalFresh eligibility determinations and add related forms and notices and required state reports in the CalACES systems, which will ultimately become the CalSAWS system that will be used by all counties. As California has faced numerous recent disasters and we unfortunately anticipate will face more in the future, the need for automation improvements has become critical, as the current manual processes delay and

divert county staff who could otherwise be providing direct services to disaster victims. Automation would eliminate the unfunded manual workload and support faster issuance of mass replacement benefits and provide support for cross-county access to enable other counties to more readily assist those impacted by a disaster.

CalWORKs 2.0 Automation – We continue to request \$5.07 million for automation of the CalWORKs 2.0 tools in the SAWS and make them available to CalWORKs participants via the SAWS online web portals. The CalWORKs program has changed significantly over the last 25 years in response to economic, budgetary, and political forces. Recognizing this, counties have been working to identify enhancements to the program that incorporate emerging research evidence on brain science, behavioral science, and how adults learn and build critical skills. Collectively, we have been calling this new approach “CalWORKs 2.0,” and we have engaged the state and legislative staff, as well as advocates who work with CalWORKs parents, to share our learning and incorporate their feedback. CalWORKs 2.0’s success depends on a culture shift—away from compliance-oriented, directive case management and toward supportive and responsive interactions between the case manager and the customer. Automation of the CalWORKs 2.0 tools in SAWS will make it easier for both CalWORKs participants and their county workers to use them, and thus encourage greater adoption of the tools. It will also allow the data they gather to be recorded in SAWS, where it can be used for future analysis and reporting.

Housing and Related Supports in the Extended Foster Care Program – We continue to request a \$50 million GF investment to support transition-aged foster youth and young adults participating in the Extended Foster Care (EFC) Program. Specifically, our request includes \$32.9 million GF to enable county caseworkers to better support youth who opt into the EFC program; \$10.2 million GF for Housing Navigators to help young adults in EFC find and keep housing; \$2 million GF for housing-related financial assistance such as security deposits and utility payments; and \$4.9 million GF to support foster homes transitioning to become host families for youth in EFC. The dual challenges of higher than anticipated participation in the EFC Program impacting social worker workloads, California’s increasingly high housing costs, have significantly hindered foster youth’s need for security and stability to succeed. This funding would help youth find stable housing and allow for more supports from social workers.

Child Welfare Services – Training and Workforce Development – We continue to request a \$10 million GF augmentation to the Child Welfare Training System in order to strengthen the capacity of California’s social workers, supervisors, and managers. When leveraged with Title IV-E funding, this would increase funding to approximately \$22 million total funds. These funds are needed to support implementation of multi-faceted policy and practice changes in the child welfare and foster care programs approved by policy makers in recent years, and to support activities required by the State’s Program Improvement Plan (PIP) to improve outcomes and avoid federal fiscal penalties.

Thank you for your consideration of our requests.

cc: Gail Gronert, Office of the Assembly Speaker
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