



May 11, 2024

To: The Honorable Caroline Menjivar
Chair, Senate Budget Subcommittee No. 3

Honorable Members
Senate Budget Subcommittee No. 3

The Honorable Dr. Corey Jackson
Chair, Assembly Budget Subcommittee No. 2

Honorable Members
Assembly Budget Subcommittee No. 2

From: Eileen Cubanski, Interim Executive Director, CWDA

RE: OPPOSE PROPOSED MAY REVISION CUTS TO HUMAN SERVICES PROGRAMS

Although the backup detail will not be available until Tuesday, May 14th, we want to provide you with our initial reactions to the Governor's May Revision proposal based on the information available to us so far. The County Welfare Directors Association (CWDA) has significant objections to the revised budget released on Friday, which effectively reverses ten years of programmatic investments and gains made across the entire range of human services programs. No human services program area is spared – the California Work Opportunity and Responsibility to Kids (CalWORKs), Child Welfare Services, In-Home Supportive Services (IHSS), CalFresh, and Adult Protective Services programs, as well as housing programs, including Bringing Families Home, Home Safe, and the Housing and Disability Advocacy (HDAP) programs are all impacted. The May Revision includes elimination of services and supports that have proven essential to supporting children, families, and older adults in recovering from the Great Recession and during and after the COVID-19 pandemic. The burden of solving a statewide budget deficit is falling heavily on the most vulnerable Californians.

While all of the proposed program cuts and eliminations are deeply troubling, CWDA has notable concerns and objections to the proposed solutions in the following three main areas: 1) CalWORKs, 2) child welfare, and 3) older adults.

CalWORKs

The May Revision doubles down on the January budget proposals for the CalWORKs program. The continuation of the proposed elimination of the Family Stabilization and Expanded Subsidized Employment programs and funding for intensive case management plus the new proposed cuts to the Home Visiting Program and the Single Allocation will decimate the existing CalWORKs service infrastructure.

CWDA strongly opposes the CalWORKs cuts. CalWORKs clients will no longer have subsidized employment opportunities that connect them to crucial job training, skills, and experiences that lead to higher wages and permanent employment, and families experiencing crises or barriers will lose access to intensive case management and services (e.g., domestic violence services, behavioral health, education and housing supports) through the Family Stabilization program. The severe cut to the employment services component of the Single Allocation will prevent county human services agencies from connecting families to and providing supportive services. It is compounded by the estimated \$350 million in underfunding for CalWORKs eligibility services, which are mandated costs that will have to be covered by employment services funding.

Additionally, the totality of these proposed cuts to CalWORKs will impact California's ability to demonstrate the success of alternative measures to the federal work participation rate (WPR) through the federal WPR alternative pilot program. Counties' ability to meet CalOAR metrics and to continue the transformative work to improve family outcomes through the CalWORKs 2.0 framework will be severely jeopardized at best. We note that the proposed cuts also come at the same time as the Administration is looking to increase the CalWORKs take-up rate.

We are gratified to see that there are no proposed cuts to CalWORKs grant levels. Cash grants are essential to helping poor families be less poor. But the drastic cuts to CalWORKs services and case management proposed in the May Revision will undermine the very attributes that make California's TANF program a model for and leader of the rest of the nation. CWDA urges the Legislature to reject these significant cuts.

Child Welfare Services

The May Revision proposes significant cuts to programs serving vulnerable youth and families in the child welfare system. These programs have proven to stabilize youth and families and their elimination will result in increased costs in other systems including housing, criminal justice, health, and behavioral health. CWDA is greatly concerned about the proposed cuts to direct supports and services, including housing assistance and navigation to foster youth and families and childcare supports to caregivers, as well as the following.

Caregiver Approvals: Specifically, CWDA strongly opposes the elimination of funding (\$50 million General Fund (GF)) for caregiver approvals. This funding was finally implemented on an ongoing basis beginning in FY 2022-23 to support state-mandated case management activities to perform timely approval of relative caregivers through the Resource Family Approval process. This funding enables counties to meet timelines consistent with the Emergency Caregiver Funding Program, which provides emergency relative caregiver funding for up to 120 days prior to approval, and up to 365 days due to good cause.

This proposed cut is contrary to efforts to maintain relative-based placements for foster youth and will lead to longer approval times for relative caregivers, during which time relatives will be unable to access other foster care benefits to which they would otherwise be entitled, including higher foster care rates through the current home-based foster care rate structure and county specialized care increments. The cut also would shift new costs to counties for payments that go beyond 120 days due to delays in relative approvals that do not meet statutory good cause exceptions.

Furthermore, the cut is out of alignment with the Administration's permanent Foster Care Rate Reform proposal, which is intended to invest directly in family-based placements to keep youth connected to their relatives and communities of origin. Delays in relative approvals will mean that some caregivers will not have timely access to higher levels of foster care funding, supports, and services, as identified by the Child and Adolescent Needs and Strengths (CANS) assessment tool. Cutting support to relatives to meet approval requirements, will undermine efforts to maintain relative-based placements for foster youth.

Family Urgent Response System (FURS): CWDA continues to strongly oppose the May Revision proposal to eliminate FURS (\$30 million GF). Created in 2019, FURS consists of a statewide hotline and county mobile response teams closely coordinated to respond to any situation where youth or caregivers have identified the need for extra support. FURS currently responds to 5,000 calls from youth and caregivers a year, connecting them to ongoing mental health services, leading to a reduced likelihood of foster children and youth's needs escalating to the point of requiring residential treatment or having a psychiatric emergency. FURS calls continue to increase each year as foster youth and caregivers have come to know and trust the trauma-informed, in-person response provided 24/7 by trained clinicians and peer supports. Elimination of FURS will lead to placement disruptions and hospitalizations, causing further trauma to foster youth, and contacts with law enforcement which will lead to criminalization of youth's trauma-based reactions.

Adult Protective Services

The Adult Protective Services (APS) program provides 24/7 response to reports of abuse and neglect for individuals over 60 and dependent adults ages 18-59. The program is and will continue to be an important as it is projected that by 2030, one in five Californians will be 65

or older. The May Revision proposes to significantly reduce APS funding. Specifically, it proposes to cut the APS expansion by \$40 million GF beginning in FY 2024-25 and annually ongoing, reducing the annual funding amount from \$70 million GF to \$30 million GF. The APS expansion expanded the population served by APS from 65 to 60 years of age and allowed counties to increase social worker staffing for longer-term case management for individuals with more complex needs so they can remain safe in their communities. The proposed cut will result in the immediate loss of social worker staff statewide who provide critical and often life-saving response and services to victims of abuse, neglect, and exploitation, leaving older and dependent adults more vulnerable to hospitalization, institutionalization in nursing homes and premature death.

The May Revision also proposes to eliminate all funding (\$4.8 million GF) associated with training of APS social workers beginning in FY 2024-25 and annually ongoing. The training is essential in supporting social worker staff to meet the needs of vulnerable older and dependent adults. Elimination of the funding jeopardizes the uniformity and consistency in the administration and delivery of the APS program statewide and the preparation for implementation of the first-ever federal regulations for adult protective services programs established by the federal Administration for Community Living. Compliance with the regulations is required by May 8, 2028.

CWDA urges the Legislature reject the cuts and maintain the state's commitment to vulnerable and older adults.

CWDA In-Home Supportive Services (IHSS) Program Budget Request

Separately, CWDA would like to reiterate our request for trailer bill language requiring the California Department of Social Services (CDSS) to work with CWDA, county human services agencies, and county worker representatives during the 2024-25 fiscal year to update the existing IHSS administration state budget methodology to take effect in the 2025-26 fiscal year. We originally also requested \$51 million GF to county human services agencies on a one-time basis in FY 2024-25 as bridge to the updated budget methodology. Given the budget situation and the need to restore a number of the proposed reductions in human services programs included in the May Revision, we realize an additional investment is not possible at this time. However, we continue to believe that the existing budget methodology is flawed and resulting in an underfunding of the critical social work that county IHSS workers do to support IHSS consumers and providers. This is evidenced by the fact that 48 counties are in violation of timeliness or accuracy requirements for assessments and reassessments. For this reason, periodic revisiting of the budget methodology is essential.

Concluding Remarks

California is a leader in pushing towards a more equitable and thriving community for all

Californians through services and supports provided in CalWORKs, child welfare services, and older adults programs. County human services agencies, the Administration, and the Legislature have invested and worked extremely hard over the past decade to serve our most vulnerable Californians, including families and individuals living in deep poverty, foster youth and their caregivers, and vulnerable and neglected older adults. We recognize that the state is facing unprecedented financial challenges and that difficult choices are needed to address the multi-year budget deficit. However, we urge that the budget not be balanced on the backs of children and families already experiencing deep poverty and that the Legislature reject the cuts proposed in the May Revision.

cc: Chris Woods, Office of the Senate President Pro Tempore
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