

SUBCOMMITTEE #3: Health & Human Services

Chair, Senator Ellen Corbett

**Senator Mimi Walters
Senator Bill Monning**



**March 27, 2014
9:30 a.m.
Room 4203, State Capitol**

PART B

Consultant: Samantha Lui

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0530 Health and Human Service Agency, Office of Systems Integration (OSI)**1. County Expense Claim Reporting Information System (CECRIS) Project Support**

Budget Issue. The proposal requests one two-year limited-term position and \$130,000 in spending authority for the Office of Systems Integration (OSI) to provide procurement and acquisition subject matter expertise to the Department of Social Services (DSS) on the County Expense Claim Reporting Information System (CECRIS) project. The position (one senior information systems analyst) will be funded through an interagency agreement between OSI and DSS. The position's responsibilities include:

- Assisting DSS in soliciting a vendor to perform procurement activities for the project;
- Providing leadership to DSS in the Acquisition Life Cycle process and state procurement and contract processes;
- Acquiring a vendor to be the technical writer of the Request for Proposal (RFP); and,
- Developing the requirement and evaluation criteria for the system developer.

Background on OSI. In 2005, OSI was established to manage a portfolio of large, complex health and human services information technology projects. OSI provides project management, oversight, procurement, and support services for a portfolio of high criticality projects, including the following:

- Case Management Information and Payrolling System (CMIPS II) for In-Home Supportive Services (discussed during the March 13, 2014 hearing);
- Child Welfare Services - New System Project (CWS-NS);
- Child Welfare Services/Case Management System (CWS/CMS);
- Electronic Benefit Transfer (EBT);
- Statewide Welfare Automation System (SAWS); and,
- Statewide Fingerprint Imaging System (SFIS).

OSI also manages contract negotiations and contract management aspects of the acquisition of technology systems and services. After the procurement phase, OSI oversees the design, development, governance, and implementation of IT systems

Background on CECRIS. DSS oversees and administers a variety of programs, such as In-Home Supportive Services, Child Welfare Services, Community Care Licensing, Disability Determinations, and Welfare to Work. The department also manages the County Expense Claim (CEC) and County Assistance Payment Reimbursement (CA 800) processes, which distribute over \$7 billion annually in state and federal funds.

On December 31, 2007, the Department of Finance approved a Feasibility Study Report (FSR) to determine the viability of replacing the existing CEC and CA 800 systems. Due to the state's financial crisis, funding for the FSR was delayed until fiscal year (FY) 2011-12. Given the long delay, in October 2012, DSS submitted a Special Project Report (SPR) that the California Department of Technology, formally known as the California Technology Agency, approved in January 2013. The SPR noted that DSS would contract with OSI for assistance with procurement and contracts processes.

The DSS Local Assistance 2013 May Revision Estimate identified project fund needs of \$134,000 for 2012-13, and \$356,000 for 2013-14, which included services to be provided by OSI through an interagency agreement. The funding was adopted in the 2013 Budget Act. OSI and DSS completed a multi-year interagency agreement, beginning in 2013-14, which establishes the 2013-14 funding at \$98,000, and which identifies services to be provided by OSI during the term of the agreement.

Justification. The Administration states that successful implementation of the CECRIS project will benefit California's most vulnerable residents, who depend daily on social services provided by DSS; facilitate enhanced data access and analysis capability; and, improve administrative accuracy and assistance expenditure data for all 58 counties. Continued funding for these programs depends on the state's ability to ensure that payments are made timely and accurately in accordance to federal cost allocation requirements and federal reporting requirements. Further, improved capabilities will 1) help ensure that all costs are reimbursed in accordance with federal cost allocation requirements, and 2) reduce risk for federal audit issues that could result in increased cost to the General Fund.

Staff Comment & Recommendation. **Approve.** It is recommended to approve this proposal, as no concerns have been raised.

Questions

1. Please briefly summarize the proposal and the implementation timeline.

5160 Department of Rehabilitation**1. Overview**

The Department of Rehabilitation (DOR) works in partnership with consumers and other stakeholders to provide services and advocacy resulting in employment, independent living, and equality for individuals with disabilities. DOR seeks to assist Californians with disabilities to obtain and retain employment, and to maximize equality and ability to live independently in communities. With a proposed 2014-15 budget of \$425.9 million (\$57 million GF) and 1,829 authorized positions, the department offers programs related to vocational rehabilitation, assistive technology, independent living, supported employment, services for individuals with traumatic brain injuries, and workforce development (to be discussed below). Overall, federal funding constitutes around 84 percent of the department's total funding. Below is a chart that provides an overview of the department's funding since FY 2012-13.

Fund Source	2012-13	2013-14*	Proposed 2014-15
General Fund	\$55,266,000	\$56,972,000	\$57,007,000
Traumatic Brain Injury Fund	\$ 1,060,000	\$ 946,000	\$ 1,002,000
Vending Stand Fund	\$ 982,000	\$ 2,361,000	\$ 2,361,000
Federal Trust Fund	\$ 314,812,000	\$ 347,265,000	\$ 357,849,000
Reimbursements	\$ 6,046,000	\$ 7,680,000	\$ 7,680,000
Total Expenditures	\$378,166,000	\$415,224,000	\$425,899,000
Positions	1,708.3	1,823.0	1,829.0

*FY 2013-14 are projected figures.

Eligibility. When the department does not have enough funds to serve all applicants who are deemed eligible for services, the federal government requires DOR to use an Order of Selection (OOS) process, under which the department must serve people with the most significant disabilities first (all those in the "most significantly disabled" category will be served first, followed by those in the "significantly disabled" category and then the "disabled category"). DOR has been operating under an OOS since 1995. Within each category, DOR serves individuals according to date of application. If placed on a waiting list, DOR provides an individual with information and referrals to other services, as well as notification every 90 days as to which category is being served and when an individual will be served, based on application date. Currently, there are almost 200 individuals with disabilities on the waiting list.

Services and Programs. In addition to providing services, such as career assessment and counseling, job search and interview skills, and career education and training, DOR offers several programs.

- **Vocational Rehabilitation.** The Vocational Rehabilitation Services Program delivers vocational rehabilitation services to persons with disabilities through vocational rehabilitation professionals in district and branch offices located throughout the state. DOR has cooperative agreements with

state and local agencies (education, mental health, and welfare) to provide unique and collaborative services to consumers.

- Assistive Technology (AT). The Assistive Technology Act of 1998 (amended in 2004) funds each state and U.S. territory to provide AT services. California's program, known as the California Assistive Technology System (CATS), is funded by a federal grant through the Rehabilitation Services Administration (RSA). For DOR to provide the required services, DOR contracts with the California Foundation for Independent Living Centers (CFILC) to provide statewide AT services.
- Independent Living Services. DOR funds, administers, and supports 29 independent living centers in communities located throughout California. Each independent living center provides services necessary to assist consumers to live independently and be productive in their communities. Core services consist of information and referral, peer counseling, benefits advocacy, independent living skills development, housing assistance, personal assistance services, and personal and systems change advocacy.
- Traumatic Brain Injury (TBI). In coordination with consumers and their families, seven service providers throughout California provide a coordinated post-acute care service model for persons with TBI, including supported living, community reintegration, and vocational supportive services.

Staff Comment & Recommendation. This is an informational item, and no action is required.

Questions

1. Please provide a brief overview of the department and its programs and services.

2. California PROMISE Initiative (CaPROMISE) Grant

Budget Issue. The department requests \$10 million in federal budget authority for the California PROMISE Initiative (CaPROMISE) federal grant, which begins October 1, 2013, to September 30, 2019. CaPROMISE seeks to develop and implement model demonstration projects that promote positive outcomes for 14- to 16-year old Supplemental Security Income (SSI) recipients and their families. The grant award is \$10 million per year, with a \$50 million maximum, and is 100 percent federal funds without a state match requirement.

The proposal requests six permanent, full-time positions, at a cost of \$620,000, for the required administrative and program oversight, and to perform mandated accounting, contracting, and data management activities. Federal funding will cover position costs (salary and benefits) and all ancillary costs, such as travel, supplies, operational expenses, and equipment. The positions are as follows:

- One staff manager,
- Three associate governmental program analysts,
- One accounting officer specialist, and
- One office technician.

As the lead coordinating agency for CaPROMISE, DOR is responsible for statewide leadership, oversight, administration, and coordination of the grant. DOR will partner with five other state departments (identified below) and 21 Local Educational Agencies (LEAs) to coordinate services, direct outreach, recruitment, and involvement of, at a minimum, 3,078 14- to 16-year old SSI recipients and their families.

The 21 participating LEAs include:

- | | |
|--------------------------------------------------------------------------|-----------------------------------------------|
| 1. Oakland Unified School District (USD) | 11. Compton USD |
| 2. Vallejo City USD | 12. Long Beach USD |
| 3. Solano COE | 13. Elk Grove USD |
| 4. West Contra Costa USD | 14. Whittier Union HSD |
| 5. Desert Mountain Special Education
Local Plan Area - San Bernardino | 15. Irvine USD |
| 6. Riverside COE | 16. San Diego USD |
| 7. San Bernardino City USD | 17. Lodi USD |
| 8. West End Special Education Local Plan
Area - San Bernardino | 18. East Side Union HSD |
| 9. Los Angeles USD | 19. Santa Clara USD |
| 10. Centinela Valley UHSD | 20. Milpitas USD |
| | 21. Santa Clara County Office of
Education |

The participating state departments, and associated rationale for participation, are as follows:

- California Department of Education. 70 percent of the CaPROMISE budget will be contracted to LEAs to provide direct services to child SSI recipients and their families.
- Employment Development Department. Through a coordinated effort, One-Stop centers will provide vocational support to child SSI recipients and their families.

- Department of Developmental Services (DDS). Some SSI youth may receive or be eligible for regional center services at graduation or upon exit from the education system. The Administration indicates that DDS can benefit from the coordination of efforts and focus on employment for the SSI recipients who may become employed, and not enter costly day programs.
- Department of Health Care Services (DHCS). As the agency that administers the state's MediCal-related mental health services and Drug MediCal Treatment Programs, the Administration states that DHCS can benefit in a reduction of medical costs, as child SSI recipients and their families become employed and receive health care benefits from their employer. Further, vocational services are an effective component of their recovery model, which can lessen the cost of adult mental health county supports.
- Department of Social Services. The Administration notes that one in six child SSI recipients have a family member receiving assistance through the Temporary Assistance for Needy Families (TANF). The financial literacy training through CaPROMISE can assist families to obtain gainful employment, reducing reliance on TANF and SSI/SSP payments.

Each state department has committed to enter into an MOU with DOR, to participate on the CaPROMISE Interagency Council at the state level, and to refer and coordinate services at the local level. The Interagency Council will meet at least two times a year.

To fulfill the CaPROMISE research project, DOR must work with a federal evaluator, a state evaluator (San Diego State University's Interwork Institute, also known as SDSU-II), a CaPROMISE project manager, and the 21 LEAs. DOR and SDSU-II will develop an agreement for \$1.75 million annually. SDSU-II, which was involved in all phases of the CaPROMISE grant proposal development, will conduct all the research, program evaluation, data gathering and analysis, training and technical assistance, and security measures for data acquisition and dissemination. In addition, SDSU-II will draft the Human Subjects review documents, maintain conformance to the Human Subjects Review requirements, and ensure that there is research integrity. The department will retain funding for direct and indirect costs to administer the program, and will contract with a public university to provide additional project support.

Service delivery and implementation timeline. According to the Administration, CaPROMISE will demonstrate student- and family-centered service delivery systems by providing the following services to SSI students and their family members: case management; transition planning; financial and benefits planning; career- and work-based learning experiences; youth development activities; health and wellness services; technology training; and, independent living services.

CaPROMISE Activities, Targets, Timelines with Benchmarks

Activities	Targets	Completion
Career Services Coordinators Receive Basic Training	100% complete training	June 2014
Career Service Coordinators Receive Cornell Training	100% complete training	September 2014
Interagency Council Meeting	2 meetings per year	March 2014 (Initial Meeting)
Recruitment of Students	At least 3,078 child SSI recipients ages 14-16 and their families	June 2015
Data Collection System Developed	Developed and initiated	June 2014
Case Management Intervention	100% of students	September 2018
Benefits Counseling/Financial Planning Intervention	100% of students	September 2018
Work Experience Intervention	100% of students have at least one volunteer and one paid experience	September 2018
Parent Training and Information Intervention	100% of families	September 2018
Employment Preparation Workshops/Soft Skills Training Intervention	100% of students	September 2018

Outcomes and accountability measures. Two types of data must be collected on a quarterly basis: 1) demographic and background information (e.g., Social Security Number and/or a comparable numerical code, as determined by the federal evaluator; name; gender; ethnicity; age; grades; conditions causing disability; family members' names, work, income, and disability), and 2) case management information. All data will be coordinated with the federal evaluator. Expected outcomes of the CaPROMISE interventions include:

1. Increased educational attainment, such as rate of school attendance, record of academic achievement, and program persistence;
2. Increased number of individuals earning credentials and certificates, including continuing education and AA/AS/BA/BS degree enrollment and progress;
3. Improved employment outcomes, such as volunteer work, internships, and volume and nature of paid work experiences;
4. Reduced use of public benefits for the student and family members, including SSI, Social Security Disability Insurance, welfare, and medical;
5. Increased total gross income of all members of a household; and,
6. Post-program reduction of SSI payments for the student.

The department will have a website with current information and resources, links to all CaPROMISE grantees, and other national and regional projects. Each LEA must create communication plans with relevant local agencies, such as One-Stop Centers or healthcare agencies, which are relevant for students and families.

Background. The SSI/State Supplemental Payment¹ programs provide cash assistance to around 1.3 million Californians, aged 65 or older (28 percent), who are blind (one percent), or who have disabilities (78 percent), and meet federal income and resources limits. Grants under SSI are 100 percent federally-funded. The maximum grant amount for individuals is \$877.40 per month (\$721 SSI + \$156.40 SSP), which is roughly 90 percent of the federal poverty level (FPL). For couples, the maximum grant amount is \$1,478.20 per month (\$1,082 SSI + \$396.20 SSP), which is equal to 113 percent of FPL. According to the Social Security Administration's (SSA) Office of Retirement and Disability Policy, in December 2012, California had 114,852 individuals under the age of 18 receiving SSI. The department indicates that approximately 60 percent of child SSI recipients will receive SSI as adults.

On August 12, 2013, Governor Brown signed the CaPROMISE grant application through a department Governor's Office Action Request. The U.S. Department of Education notified DOR of its CaPROMISE grant award on September 27, 2013. The CaPROMISE grant will fund the design, implementation, and evaluation of a model demonstration program for California that will serve at least 1,539 SSI recipients and their families in the treatment group, and compare their progress to at least 1,539 SSI recipients and their families in the control group of the five-year research and demonstration project. The federal grant requires states to provide services to 3,078 child SSI recipients and their families to receive the maximum grant award of \$10 million per year. The 21 participating LEAs will receive \$7.1 million in annual funding. The department indicates that these funds are expected to remain level over the next five years.

In 2012, the Government Accounting Office reported that students with disabilities face challenges accessing needed services and programs as they transition from high school to post-secondary education and work, and as they transition from entitlement programs to eligibility-based services. As the diverse and complex needs of youth and young adults with disabilities cannot be met with any one agency, CaPROMISE consists of multiple state departments working together. Specifically, DOR, as the lead coordinating agency of the grant, will partner with state departments and 21 LEAs to coordinate services, direct outreach, recruitment, and involvement of 14- to 16-year old SSI recipients and their families.

Staff Comment & Recommendation. Approve. It is recommended to approve this proposal, as no concerns have been raised.

Questions

1. Please briefly summarize the proposal, including the coordination with other state agencies and LEAs, implementation plan, and expected outcomes and goals.
2. Please explain the enrollment and recruitment process of the 3,078 child SSI recipients and their families. How are these families selected? How is it determined which recipients will be in the treatment group and which will be in the control group?
3. Is there intent to expand the program statewide, if successful?

¹ For more information on SSI/SSP, please see pages 23-24 of the Senate Budget and Fiscal Review Subcommittee #3's March 13, 2014 agenda, which can be accessed at http://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/SUB3/031332014Sub3HumanResourcesDA_DSS_IHSS_OSI.pdf

3. Traumatic Brain Injury (TBI) Supplemental Funding

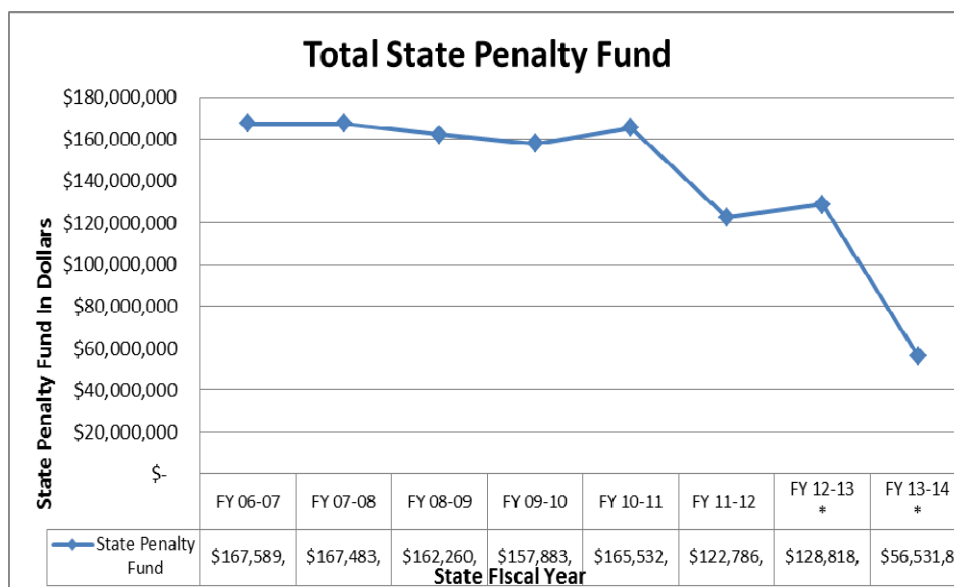
Budget Issue. The department requests an additional \$500,000 to the Traumatic Brain Injury Fund from the Driver Training Penalty Assessment Fund.

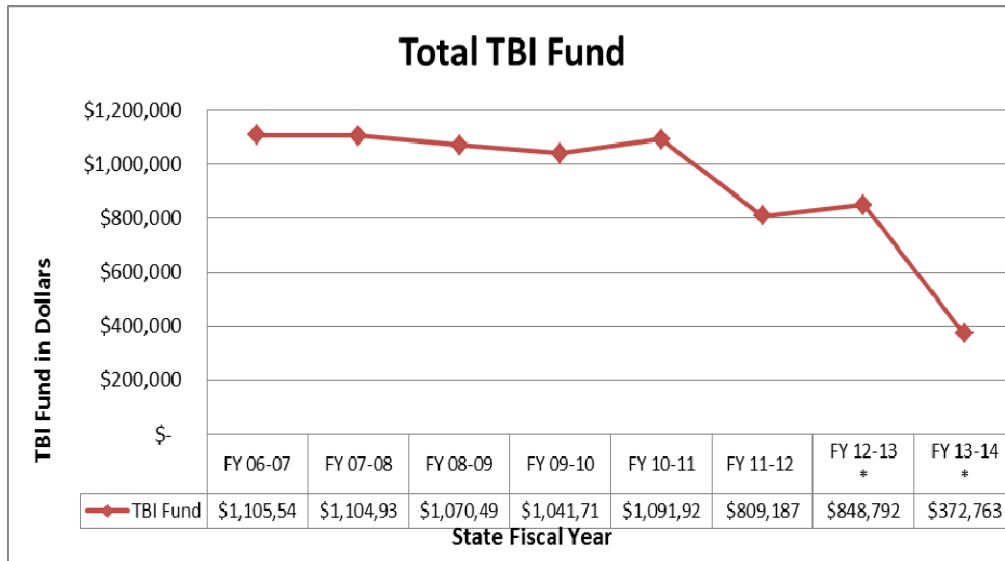
Background. With approximately \$1,002,000 in proposed funding, the Department of Rehabilitation administers the Traumatic Brain Injury (TBI) program. The program’s services are delivered by seven providers located throughout the state and include coordinated post-acute care, such as supported living, community reintegration, and vocational supports, to help impacted individuals lead productive and independent lives. TBI Fund revenues stem from penalties paid for various violations of California’s Vehicle Code, including the seatbelt law. Recent penalty funding and corresponding TBI funds are summarized in the chart and graphs below.

TOTAL STATE PENALTY FUND AND TBI FUND REVENUE

State Fiscal Year	State Penalty Fund	TBI Fund
FY 06-07	\$ 167,589,106	\$ 1,105,546
FY 07-08	\$ 167,483,359	\$ 1,104,936
FY 08-09	\$ 162,260,219	\$ 1,070,492
FY 09-10	\$ 157,883,929	\$ 1,041,716
FY 10-11	\$ 165,532,414	\$ 1,091,926
FY 11-12	\$ 122,786,073	\$ 809,187
FY 12-13*	\$ 128,818,031	\$ 848,792
FY 13-14*	\$ 56,531,855	\$ 372,763

* Year-to-date revenue as of 2/28/14





The Department of Rehabilitation has been administering the TBI program since it was transferred from the Department of Mental Health, pursuant to AB 398 (Monning), Chapter 439, Statutes of 2009. The legislation also directed DOR to monitor and evaluate the performance of service providers, and to establish requirements and processes for continuing participation in the program.

Annually, DOR serves 2,400 individuals with acquired and traumatic brain injury. Generally, injuries are caused by an external force’s impact on the brain, frequently from a fall or motor vehicle accident. Symptoms resulting from TBI can include short and long-term effects that hinder the person’s ability to function.

In February 2014, the department issued a competitive solicitation for TBI Program providers. Based on total available funding, the competitive solicitation stated the department could award up to seven grants of up to \$150,000 each for the three-year grant cycle, beginning in July 2014. Applications for the funding are due April 3, 2014, for the grant period of July 1, 2014 – June 30, 2016, with a possible one-year extension. The department indicates that this is the first time the seven providers have been required to re-compete for funding, and there may be other organizations applying as well. At the time of this report, the department states that it is unclear which sites are at-risk of decreased funding or closure. The following chart includes funding for the grant period that ends in June 2014.

STATE FISCAL YEAR 2013-14					
TBI Grants	Location	Areas Served	TBI Funds	VR Match	Matched Federal Funds
Betty Clooney Foundation	Long Beach, CA	Los Angeles	\$125,000	\$25,000	\$92,371
Central Coast IL-New Options	Salinas, CA	Monterey, San Benito and Santa Cruz	\$132,000	\$18,000	\$66,507
Janet Pomeroy Center	San Francisco, CA	San Francisco	\$125,000	\$25,000	\$92,371
Mercy General Hospital	Citrus Heights, CA	Sacramento, Placer and El Dorado	\$110,000	\$40,000	\$147,793
St. Jude Medical Center	Fullerton, CA	Orange	\$132,000	\$18,000	\$66,507
Making Headway Center	Eureka, CA	Humboldt, Mendocino and Del Norte	\$150,000	\$0	\$0
Options Family of Services	Morro Bay, CA	Santa Barbara and San Luis Obispo	\$150,000	\$0	\$0
Total			\$924,000	\$126,000	\$465,549

Staff Comment & Recommendation. Hold open. It is recommended to hold this item open.

Questions:

1. Please briefly provide an overview on TBI program funding and transition of the TBI program to DOR.
2. Please provide an update on the status of DOR’s application for a Medicaid Home and Community-Based Services waiver.
3. How have the recent declines in TBI Fund revenues impacted services provided through the program? Are any sites anticipated to be closed, or receive reduced funding, in the near future?
4. Please briefly summarize the budget proposal, as well as alternatives to it.