

SUBCOMMITTEE NO. 3

Agenda

Senator Holly J. Mitchell, Chair
Senator William W. Monning
Senator Jeff Stone



May 12, 2016
9:30 a.m., or Upon Adjournment of Floor Session
Room 4203, State Capitol

PART A

Consultant: Theresa Pena

ISSUES RECOMMENDED FOR VOTE-ONLY

<u>Item</u>	<u>Department</u>	<u>Page</u>
5180	Department of Social Services	
Issue 1	TBL: ARC Child Support Pass Through	3
Issue 2	TBL: County Sharing Ratio Alignment	3
Issue 3	TBL: Eliminate the Temporary Assistance Program	4
Issue 4	BCP: IHSS CMIPS M&O	4
Issue 5	SFL: Transfer of Commodity Supplemental Food Program	5
Issue 6	SFL: Title IV-E CA Well Being Project Budget Bill Language	5
Issue 7	SFL: County Expense Claim Reporting Information System	5
5180	Department of Social Services – Community Care Licensing	
Issue 8	BCP: CCL: Random Inspections – Technical Fix	6
Issue 9	BCP: Caregiver Background Check: Arrest Only Workload	6
Issue 10	BCP: Home Care Services Consumer Protection Act (AB 1217)	7
Issue 11	BCP: Complaints and Appeals Process and RCFE Ownership Disclosure	7
5160	Department of Rehabilitation	
Issue 1	BCP: WIOA: Competitive Integrated Employment	8
Issue 2	BCP: Resources for Federal Grant and RSA-911 Reporting	8
Issue 3	BCP: Traumatic Brain Injury Supplemental Funding	8

CONTINUED

ISSUES FOR DISCUSSION

<u>Item</u>	<u>Department</u>	<u>Page</u>
Issue 1	Multiple Departments Proposal for Investment	9
APPENDIX A		10

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling (916) 651-1505. Requests should be made one week in advance whenever possible.

ISSUES RECOMMENDED FOR VOTE ONLY**5180 DEPARTMENT OF SOCIAL SERVICES****Issue 1: Trailer Bill Language: Approved Relative Caregiver (ARC) Child Support Pass-Through**

The Administration proposes to clarify that children participating in the ARC Program should receive a \$50 child support disregard.

The department notes that this language will create consistency between Welfare and Institutions Code (WIC) and Family Code (FC). WIC Section 11475.3 and FC Section 17504 both require that the first \$50 of child support collected to be passed-through or “disregarded” to CalWORKs recipients before any money is distributed to federal, state, and county governments for child support recoupment. Currently this rule does not explicitly apply to foster care recipients.

Recommendation. Approve proposed trailer bill language as placeholder. This subcommittee heard and discussed this item during its March 10, 2016 hearing. No concerns have been raised.

Issue 2: Trailer Bill Language: County Sharing Ratio Alignment for the Safety Net, Fleeing Felon and Long-Term Sanction Populations

The Administration proposes trailer bill language that seeks to align the county sharing ratio for specified populations. Because the Safety Net, Fleeing Felon or Long-Term Sanctions populations include those whose cash aid under their former aid payment included federal funds, their funding ratios were established to reflect a lower county share of funding of 2.5 percent with a state share of funding of 97.5 percent. This alleviated the cost to counties for adults transitioning from being aided to unaided. However, WIC Section 15200 requires that the county’s share of funding is five percent for programs after deducting any available federal funding. There is an inconsistency between WIC and current practice.

The department notes that this is clean-up language and there is no cost associated with this trailer bill language.

Recommendation. Approve proposed trailer bill language as placeholder. This subcommittee heard and discussed this item during its March 10, 2016 hearing. No concerns have been raised.

Issue 3: Trailer Bill Language: Eliminate the Temporary Assistance Program

The Administration proposes to eliminate the Temporary Assistance Program (TAP). The TAP program was intended to increase the federal Temporary Assistance for Needy Families (TANF) work participation rate (WPR). Implementation was suspended due to obstacles associated with the federal child support distribution rules, and concerns that these issues would result in a potential negative effect on TAP recipients. Due to these concerns, implementation of TAP has been repeatedly postponed, with a current implementation date of October 1, 2016, as established in SB 855 (Budget and Fiscal Review, Chapter 29, Statutes of 2014).

The Department of Social Services (DSS) claims that TAP is no longer necessary as they have adopted an alternate move-out strategy for removing safety net and long-term sanctioned cases from being included in the determination of the state's TANF WPR calculation. The department notes that this language results in cost avoidance associated with the elimination of the program in FY 2016-17 and beyond.

Recommendation. Approve proposed trailer bill language as placeholder that would change current statute to remove the date for implementation of TAP and make the implementation contingent upon further action of the Legislature in any given year. This action will conform with the Assembly. This subcommittee heard and discussed this item during its March 10, 2016 hearing.

Issue 4: Budget Change Proposal (BCP): IHSS CMIPS M&O

The Administration requests \$232,000 (\$117,000 General Fund) for two three-year limited-term Associate Governmental Program Analyst positions to address new and ongoing workload with the In-Home Supportive Services (IHSS) Case Management, Information and Payrolling System (CMIPS) to work on the Universal Assessment Tool (UAT). AB 664 (Dodd), Chapter 367, Statutes of 2015 establishes the UAT to create a single Home and Community-Based Services (HCBS) assessment to record and improve care coordination and data collection between the HCBS programs. The department asserts that they will need the positions for implementation of the UAT into CMIPS.

Recommendation. Approve. This subcommittee heard and discussed this item during its April 28, 2016 hearing. No concerns have been raised.

Issue 5: Spring Finance Letter: Transfer of Commodity Supplemental Food Program

The Administration requests the transfer of one permanent Associate Governmental Program Analyst position and the associated funding from the California Department of Education (CDE), effective July 1, 2016. This position is federally-funded and will support the Commodity Supplemental Food Program (CSFP), which will transfer from CDE to DSS on October 1, 2016. The CSFP no longer fits into the CDE's mission and fits in better with the mission of DSS. DSS already administers the federal emergency food assistance program, and has agreements with 48 local food banks, including five of the six served by the CSFP.

The department notes that the requested position is federally-funded and that this is a General Fund neutral request. The CDE has agreed to this transfer of funding, position, and responsibilities.

Recommendation. Approve. This subcommittee heard and discussed this item during its April 28, 2016 hearing. No concerns have been raised.

Issue 6: Spring Finance Letter: Title IV-E CA Well Being Project Budget Bill Language

The Administration requests that language be added to Items 5180-101-0001 and 5180-153-0001 to authorize the expenditure authority between these items to appropriately align funding between counties based on participation in the federal Title IV-E California Well-Being Project. The language is described as follows:

“Add Budget Bill language authorizing the Department of Finance to transfer General Fund between Items 5180-101-0001 and 5180-153-0001 to appropriately align funding between Title IV-E Waiver participating counties and nonparticipating counties.”

Recommendation. Approve. This subcommittee heard and discussed this item during its April 28, 2016 hearing. No concerns have been raised.

Issue 7: Spring Finance Letter: County Expense Claim Reporting Information System (CECRIS)

The Administration requests \$291,000 (\$115,000 General Fund) for three positions (two System Software Specialist IIs and one Associate Information Systems Analyst) to support the CECRIS System as it replaces the County Expense Claim (CEC) and the Assistance Claim (CA 800) systems. OSI also requests funding for the permanent reestablishment with limited-term funding for a Senior Information Systems Analyst that was approved in a 2014-15 BCP for CECRIS.

DSS received approval of Special Project Report (SPR) 1 in February 2012 for the CECRIS project, but subsequent analysis projected a significant increase in both schedule and cost. In December 2014, the project was suspended to allow DSS an opportunity to re-evaluate the proposed solution in order to move forward with the project. The resulting new proposed solution in SPR 2 is meant to be more cost-effective and efficient. During the SPR 2 process, a gap was identified in internal resources for the project.

Recommendation. Approve. This subcommittee heard and discussed this item during its April 28, 2016 hearing. No concerns have been raised

5180 DEPARTMENT OF SOCIAL SERVICES – COMMUNITY CARE LICENSING (CCL)**Issue 8: Budget Change Proposal: CCL: Random Inspections – Technical Fix**

The Administration requests resources to perform annual random inspections required by the Human Services Omnibus Trailer Bill, SB 79 (Committee on Budget and Fiscal Review), Chapter 20, Statutes of 2015. Specifically, the Administration requests \$2.3 million General Fund for 20 positions (two Licensing Program Manager I, 14 Licensing Program Analysts, and four Office Assistants - Typing). This proposal corrects DSS's FY 2015-16 BCP which included resources for the improvement of regulatory oversight of CCL facilities throughout the state, inadvertently omitted the staffing resources necessary to perform the annual random inspections required.

Recommendation. Approve. This subcommittee heard and discussed this item during its April 28, 2016 hearing. No concerns have been raised.

Issue 9: Budget Change Proposal: Caregiver Background Check: Arrest Only Workload

The Administration requests \$892,000 (\$816,000 General Fund) for five positions to continue reviewing, investigating, and processing criminal record clearances for individuals with an arrest record seeking licensure, employment, or presence in a licensed community care facility. Specifically, the positions requested are three Attorney IIIs and two Senior Legal Analysts.

The department asserts that initially they were able to absorb the workload but can no longer sustain the current level of workload without additional legal resources.

Recommendation. Approve. This subcommittee heard and discussed this item during its April 28, 2016 hearing. No concerns have been raised.

Issue 10: Budget Change Proposal: Home Care Services Consumer Protection Act (AB 1217)

The Administration requests a \$1.0 million General Fund loan to implement licensing and registration activities required by the Home Care Services Consumer Protection Act (AB 1217(Lowenthal), Chapter 790, Statutes of 2013). These resources would fund 6.5 permanent positions in the Administration Division and the Community Care Licensing Division, and two-year limited term funding for one position in the Legal Division.

Prior to AB 1217, Home Care Organizations (HCOs) were not required to be licensed and Home Care Aides (HCAs) were not required to meet any minimum qualifications or screenings. Beginning January 1, 2016, AB 1217 requires DSS to regulate HCOs and provides for background checks and a registry for affiliated HCAs, as well as independent HCAs who wish to be listed on the registry. An approved FY 2105-16 BCP provided additional resources for DSS based on the projection of approximately 2,000 HCOs and 70,000 HCAs in the state that would be subject to fees under this bill. The department has now revised the projection to approximately 3,000 HCOs and 100,000 HCAs.

The department notes that the requested General Fund loan for AB 1217 will be repaid with fee revenues from HCOs and HCAs.

Recommendation. Approve. This subcommittee heard and discussed this item during its April 28, 2016 hearing. No concerns have been raised.

Issue 11: Budget Change Proposal: Complaints and Appeals Process and RCFE Ownership Disclosure

The Administration requests \$273,000 General Fund for two positions to meet the requirements of AB 601(Eggman), Chapter 628, Statutes of 2015, and \$341,000 General Fund to support three Associate Governmental Program Analysts (AGPAs) for another two years, starting July 1, 2017. Currently the three AGPAs are two-year limited-term and expire June 30, 2017.

AB 601 requires potential Residential Care Facilities for the Elderly (RCFE) licensees to fully disclose previous ownership/partnerships and compliance with regulations in any type of facility anywhere in the United States. DSS is additionally required to cross-check owner/licensee information with the California Department of Public Health (DPH). There are approximately 7,500 licensed RCFEs which will be disclosing ownership and related information combined with a projected 1,200 new RCFE applications expected to be received.

AB 1387 (Chu), Chapter 486, Statutes of 2015, restructures the process by which licensees may appeal the assessment of a civil penalty or deficiency. The requested funding will support staff currently working to develop regulations, update various manuals by DSS, communicate with the public, and develop and deliver training related to these changes. DSS initially anticipated this workload to last only two years, but now feel the workload may last another two years.

Recommendation. Approve. This subcommittee heard and discussed this item during its April 28, 2016 hearing. No concerns have been raised.

5160 DEPARTMENT OF REHABILITATION**Issue 1: Budget Change Proposal: WIOA: Competitive Integrated Employment**

The Administration is requesting 11 permanent full-time positions to establish a new Vocational Rehabilitation Service Delivery (VRSD) team through redirection of \$1.5 million in federal funds that are currently used for group employment placement services. Under the WIOA, the DOR can no longer close the record of services for a consumer who is in non-competitive employment, such as group employment services. Currently, DOR does not have the capacity to meet these new requirements.

Recommendation. Approve. This subcommittee heard and discussed this item during its April 7, 2016 hearing. No concerns have been raised.

Issue 2: Budget Change Proposal: Resources for Federal Grant and RSA-911 Reporting

The Administration requests five permanent full-time positions funded through the redirection of \$653,000 in existing Federal Funds, previously used for consulting services, to address the increased workload mandated by the U.S. Department of Education (USDOE) and the Rehabilitation Services Administration (RSA). The department does not have the current staff resources to address these mandated changes.

The department notes that lack of compliance with federal requirements could result in enforcement action, including the loss of federal funds.

Recommendation. Approve. This subcommittee heard and discussed this item during its April 7, 2016 hearing. No concerns have been raised.

Issue 3: Budget Change Proposal: Traumatic Brain Injury Supplemental Funding

The Administration is requesting a one-time allocation of \$360,000 to the TBI Fund from the Driver Training Penalty Assessment Fund. TBI Fund revenues stem from penalties paid for various violations of California's Vehicle Code. However, the State Penalty Fund (SPF) is facing declining revenues and the current allocation of 0.66 percent will not be sufficient to fund all TBI functions mandated by statute. This proposal provides continued minimum funding for the critical support services provided by the TBI network, as well as associated administrative costs.

In FY 2014-15, DOR received a one-time allocation of \$500,000 from the Driver Training Penalty Assessment Fund to augment the TBI Fund.

Recommendation. Approve. This subcommittee heard and discussed this item during its April 7, 2016 hearing. No concerns have been raised.

ISSUES FOR DISCUSSION

Public testimony will be taken at the end for all items listed in this section.

MULTIPLE DEPARTMENTS**Issue 1: Proposal for Investment**

The subcommittee has received the following proposals for investment.

- California Farm to Food Bank Tax Credit

Budget Issue. The California Association of Food Banks and others are requesting to extend California's current tax credit for farm donations to food banks from 2017 to 2022, increase the credit from 10 percent to 15 percent, expand the list of qualified donation items, and value items at wholesale cost.

Background. AB 152 (Fuentes), Chapter 503, Statutes of 2011, created the existing 10 percent tax credit for donations of fresh fruits and vegetables to a qualified nonprofit entity and required DSS to establish and administer a State Emergency Food Assistance Program. This proposal is also included in a bill, AB 1577 (Eggman), currently on the Assembly Appropriations Committee suspense calendar, and is similar AB 515 (Eggman), which was vetoed last year with a host of other tax credit bills. The Governor's veto message stated that tax credits needed to be considered comprehensively as part of the budget process.

Advocates argue that extending the credit would increase access to healthy foods for low-income Californians.

Staff Comment and Recommendation. Hold open.

Appendix A

Appendix A lists other human services-related proposals that have been discussed previously, including:

March 10, 2016

Department of Social Services – CalWORKs		
Issue	Description	Cost/Amount Requested
Maximum Family Grant (MFG)	Repeal MFG	approx. \$260-\$310 million GF
Housing Support Program	Augment the CalWORKs Housing Support Program	\$15 million GF ongoing
CalWORKs	Increase CalWORKs grants and restore COLA	Varies
Additional proposals	<ul style="list-style-type: none"> • Restore the 60-month time clock • Reduce the number of sanctions and eliminate long-term sanctions • Prohibit sanctions when an adult is meeting work participation • Oppose TANF transfer to Student Aid Commission • Repeal the Child Deprivation Rule for Two Parent Families • Repeal limiting homeless assistance to once-in-a-lifetime • Make various changes to the Housing Support Program, including adding several requirements for counties, prioritizing families experiencing domestic abuse, and giving counties discretion to extend rental assistance beyond six months • Simplify the subsidized employment programs • Require that counties direct families into Family Stabilization if they get a recommendation for mental health, domestic abuse, sexual exploitation, human trafficking or homeless from OCAT • Stop the 48-month time clock from running while family is on Family Stabilization in addition to not running the 24-month clock • Add various requirements regarding specific OCAT and Family Stabilization data 	Varies

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Department of Social Services – CalFresh		
Issue	Description	Cost/Amount Requested
State Emergency Food Assistance Program (SEFAP)	Increase funding for SEFAP	\$10 million GF
Additional Proposals	<ul style="list-style-type: none"> • Increase funding for school breakfast meal reimbursements and start-up grants • Require CalFresh certification periods on the maximum allowable period under Federal law 	Varies

April 21, 2016

Department of Social Services – Child Welfare Services		
Issue	Description	Amount Requested
Child Care	Increase access to child care to enable larger pool of families to become foster parents	\$31 million GF
Continuum of Care Reform	Clarify statutes governing child care system for foster youth	Unknown
Commercially Sexually Exploited Children	Increase funding for CSEC program	\$19.7 million GF
Bringing Families Home	Establish a county matching grant program for child-welfare involved families that may be experiencing homelessness.	\$10 million GF
Chafee Education and Training Voucher	Provide Chafee grants to all eligible foster youth	\$3.63 million GF for first year plus ongoing
Foster Youth	Create county opt-in program to prevent pregnancy among foster youth	\$10 million GF
Transitional Housing Program-Plus (THP+) for Nonminor Dependents Aging Out of Care and to Homeless Youth	Expand THP+ for youth who would be eligible if they were in foster care on or after age 16	\$5 million GF
Continuum of Care Reform	Fund series of trainings and build cohort of implementation pilot counties to implement specialized permanency services	\$1.1 million GF
Psychotropic medications	Hire additional Public Health Nurses to meet requirements of recent legislation regarding psychotropic medications among foster youth	\$1.65 million GF (with assumed \$4.95 million federal match)

Health and Human Services Agency, Office of Systems Integration		
Issue	Description	Cost/Amount Requested
CWS-NS	Trailer Bill Language to codify county role in Agile approach	None

April 28, 2016

Department of Social Services – Immigration Services Branch		
Issue	Description	Cost/Amount Requested
Immigration Services	Increase funding for Immigration Services program	\$25 million GF (for \$40 GF million total)

Department of Social Services – Supplemental Security Income/State Supplementary Payment (SSI/SSP)		
Issue	Description	Cost/Amount Requested
SSI/SSP	Restore SSI/SSP grant cuts and restore the COLA to bring individuals at or above the Federal Poverty Level	Varies
SSI	Expand SSI advocacy for GA/GR recipients	Unknown

Department of Social Services – In-Home Supportive Services (IHSS)		
Issue	Description	Amount Requested
FLSA implementation	Extend the grace period for overtime violations to September 1, 2016	Unknown
FLSA implementation	Expand overtime exemptions	Unknown
FLSA implementation	Align IHSS authorized hours with Fair Labor Standards Act (FLSA) policy	Unknown
FLSA implementation	Pay for certain services in arrears to align with FLSA	
IHSS	Restore IHSS share of cost buy-out	Unknown
CCI	CMIPS II reprogramming for additional hours in the Coordinate Care Initiative (CCI)	\$3 million GF one-time costs and \$1 million GF ongoing

Department of Social Services – Adult Protective Services (APS)		
Issue	Description	Amount Requested
Adult Protective Services	Increase training dollars for APS	\$5 million GF

Department of Aging		
Issue	Description	Amount Requested
Elder Economic Security Index	Funding to update the Elder Economic Security Index	\$50,000 GF
Multi-purpose Senior Services Program (MSSP)	Increase MSSP rates	\$4 million GF
California Long-Term Care Ombudsman	Additional funding for Long-Term Care Ombudsman	\$3.6 million GF (or other special funds)
Senior Nutrition Programs	Additional funding for senior nutrition programs	\$5.4 million GF
California Senior Legislature	Funding to continue advocacy efforts for seniors	\$500,000 GF