Senate Budget and Fiscal Review—Mark Leno, Chair

SUBCOMMITTEE NO. 3 Agenda

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

April 28, 2016
9:30 a.m., or Upon Adjournment of Floor Session
Room 4203, State Capitol

Consultant: Theresa Pena

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5180 – Department of Social Services – Immigrations Branch

Issue 1: Update – Immigration Services Programs

Background. The 2015 Budget Act included $15 million General Fund for the Immigration Services Program. Through this program, qualified nonprofits who meet specific criteria and guidelines may apply for grants to provide education, outreach, and application assistance to immigrant community members eligible for either deferred action programs or naturalized citizenship.

DSS has awarded 61 contracts to qualified nonprofit organizations that will provide services under one or more of the following service categories: (1) Services to Assist Applicants seeking Deferred Action for Childhood Arrivals (DACA) or other immigration remedies; (2) Services to Assist Applicants seeking Deferred Action for Parents of Americans and Lawful Permanent Residents (DAPA) or other immigration remedies; (3) Services to Assist Applicants seeking Naturalization; (4) Legal Training and Technical Assistance Services; and (5) Education and Outreach Activities. Services began under an 18-month contract on January 1, 2016.

Below is an implementation timeline provided by the department:

ACTIVITY	DATE		
Request for Applications (RFA) Overview Conference Call	October 09, 2015		
Application Due Date	October 30, 2015,		
Application Review Period	November 02 - 17, 2015		
Tentative Award Notification	November 18, 2015		
Standard Agreements Released	December 14, 2015		
Service Implementation	January 01, 2016		
Invoices Due	Period Covered	Due to CDSS	Funding
	01/01/2016 – 06/30/2016	01/29/2016	40%
	07/01/2016 – 12/31/2016	07/29/2016	25%
	01/01/2017 – 06/30/2017	01/31/2017	25%
	06/2017- Closeout	07/31/2017	10%
Reports Due	Period Covered	Due to CDSS	
	01/01/2016 – 03/30/2016	04/15/2016	
	04/01/2016 – 06/30/2016	07/15/2016	
	07/01/2016 – 09/30/2016	10/14/2016	
	10/01/2016 – 12/31/2016	01/13/2017	
	01/01/2017 – 03/30/2017	04/14/2017	
	04/01/2017 – 06/30/2017	07/14/2017	
End of Contract	June 30, 2017		

Regions served include: Statewide (serving multiple regions), Central Valley (Butte, Colusa, Fresno, Glenn, Kern, Kings, Madera, Merced, Placer, San Joaquin, Sacramento, Shasta, Stanislaus, Sutter, Tehama, Tulare, Yolo, Yuba), Bay Area (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma), Central Coast (Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz), Inland Empire (Riverside, San Bernardino, Inyo), Los Angeles (Los Angeles), Orange County (Orange, Ventura), and San Diego (Imperial, San Diego).

Below is a chart that shows what activities were funded and at what level:

TOTAL FUNDING PER SERVICE CATEGORY

SERVICE CATEGORY	REQUESTED	AWARDED
Application Assistance - DACA	$7,327,600	$5,762,400
(Other Immigration Remedies)	*$4,754,000*	*$2,804,000*
Application Assistance - DAPA	$2,230,500	$255,150
(Other Immigration Remedies)	*$6,872,000*	*$522,000*
Application Assistance - Naturalization	$9,321,900	$2,434,500
Legal Training and Technical Assistance	$1,823,000	$443,450
Education and Outreach	$8,632,480	$2,238,500
TOTAL	$40,961,480	$14,460,000

Total amount requested from awarded organizations is $40,961,480.
Total amount requested from all organizations, including denied organizations, is $47,453,496.

Immigration Services Clients Served and Cost.

Application Assistance – DACA
16,438 individuals to be served
Workshops: 11,704 individuals to be served at @$350 per case
Direct Representation: 3,332 individuals to be served @$500 per case
Other Immigration Remedies: 1,402 individuals to be served @$2,000 per case

Application Assistance – DAPA
1,962 individuals to be served
Workshops: 1,701 individuals to be served at @$150 per case
Other Immigration Remedies: 261 individuals to be served @$2,000 per case

Application Assistance – Naturalization
7,254 individuals to be served
Workshops: 5,532 individuals to be served at @$300 per case
Direct Representation: 1,722 individuals to be served @$450 per case

Legal Training and Technical Assistance
472 activities to be delivered
In-Person Community Trainings: 31 activities to be delivered @$5,000 per activity
Webinar Activities: 43 activities to be delivered @$2,500 per activity
Consultation from Contractor (in hours): 373 hours to be provided @$150 per hour
Practice Advisories: 25 practice advisories to be created @$20 per person reached

Reporting Outcomes. The first reporting period ends on March 31, 2016 and reports are due on April 15, 2016. On-site monitoring visits will begin in the spring of 2016 and continue throughout the contract period. Quarterly conference calls, regional meetings, and ongoing technical assistance have been occurring, and will continue, since program implementation and throughout the contract period.

Unaccompanied Undocumented Minors (UUM). DSS oversees $3 million legal services funding for the UUM program. The department awarded contracts to 21 qualified nonprofit legal services organizations that will provide legal representation for UUMs in the filing of, preparation for and representation in administrative and/or judicial proceedings for the following immigration statuses: asylum, T-Visa, U-Visa, and/or Special Immigrant Juvenile Status (SIJS). The legal services include culturally and linguistically appropriate services provided by attorneys, paralegals, interpreters and other support staff for state court proceedings, federal immigration proceedings, and any appeals arising from those proceedings. Services began on December 19, 2014.

The UUM fee-per-case was increased in FY 2015/16 from $4,000 per case to $5,000 per case to adequately compensate legal services organizations for the contracted UUM services. A departmental survey and research of costs associated with providing UUM legal services ranged from $2,000 to $12,000, depending on the case type. Invoicing records show that the majority of cases that contractors are handling involve Asylum and Special Immigrant Juvenile Status, which have the greatest expense.

The average wait time to secure a court decision for a UUM client is 1,071 days (2.9 years). All UUM contractors have until June 30, 2021 to close out all active cases and submit final invoices.

There have been a total of 155 adjudicated cases. Below are outcomes for 125 of those cases, which successfully resulted in the following immigration remedies. The remaining 30 cases, not reported below, are awaiting outcome details from the reporting contractors:

Fiscal Year	2014/15	2015/16
Clients Completed (Adjudicated)	117	8
Final Case Outcomes:		
Asylum	83	7
T-Visa	0	0
U-Visa	0	0
SIJS	32	1
Other (Citizenship)	2	0

Staff Comment. No action. Item included for information and discussion purposes.

Question.

1. Please briefly summarize the program and services.

2. Please provide an update on the reports that were due on April 15, 2016.

3. Please provide an update on UUM.

Staff Recommendation. No action required.

Issue 2: Proposal for Investment

The subcommittee has received the following proposal for investment.

- Increase in funding for the Immigration Services Program

Budget Issue. The One California coalition, joined by the Latino Legislative Caucus and the Asian Pacific Islander Legislative Caucus, request an increase of $25 million to the Immigration Services Program for a total of $40 million in FY 2016-17. They state that the current level of investment does not reflect the need for services in the state or the demonstrated capacity to meet those needs.

Background. The Immigration Services Program was established in the 2015-16 budget to provide services for California's immigrant communities that may be eligible for deferred action protection programs or citizenship. Advocates claim that under the current $15 million investment, less than 1 percent of the immigrant community that is eligible to apply for naturalized citizenship is being reached. They also point out that despite the emphasis on DACA, the funding will only reach 2.8 percent of the total eligible population in the state.

Staff Comment and Recommendation. Hold open.

5180 – DEPARTMENT OF SOCIAL SERVICES, SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTAL PAYMENT (SSI/SSP)

Issue 3: Overview – SSI/SSP

The Supplemental Security Income/State Supplemental Payment (SSI/SSP) programs provide cash assistance to around 1.3 million Californians, who are aged 65 or older (28 percent), are blind (one percent), or have disabilities (71 percent), and in each case meet federal income and resource limits. A qualified SSI recipient is automatically qualified for SSP. SSI grants are 100 percent federally funded. The state pays SSP, which augments the federal benefit.

Funding. The budget proposes $10.3 billion total funds ($2.9 billion General Fund) for SSI/SSP. The state pays administration costs for SSP, around $189 million for the budget year. From 2015-16 to budget year, the budget is projected to increase by $23.5 million General Fund due to a projected average monthly caseload growth.

Total spending for SSI/SSP grants—including General Fund and federal expenditures (which are not passed through the state budget)—has increased by about $1.1 billion— or 12 percent—between 2007–08 and 2015–16. Costs for SSI/SSP include the California Veterans Case Benefit Program and the Cash Assistance Program for Immigrants (to be discussed below).

Cash Assistance Program for Immigrants (CAPI). In 1998, the Cash Assistance Program for Immigrants (CAPI) was established as a state-only program to serve some legal non-citizens who were aged, blind, or had disabilities. After 1996 federal law changes, most entering immigrants were ineligible for SSI, although those with refugee status are allowed seven years of SSI. CAPI benefits are equivalent to SSI/SSP program benefits, less $10 per individual and $20 per couple. The CAPI recipients in the base program include 1) immigrants who entered the United States prior to August 22, 1996, and are not eligible for SSI/SSP benefits solely due to their immigration status; and 2) those who entered the U.S. on or after August 22, 1996, but meet special sponsor restrictions (have a sponsor who is disabled, deceased, or abusive). The extended CAPI caseload, which is separate from the base CAPI caseload, includes immigrants who entered the U.S. on or after August 22, 1996, who do not have a sponsor or have a sponsor who does not meet the sponsor restrictions of the base program. In 2016-17, the estimated monthly average caseload is 15,099 cases for both CAPI and extended CAPI.

California Veterans Cash Benefit Program (CVCB) Program. The California Veterans Cash Benefit Program (CVCB) program is linked to the federal Special Veterans Benefit (SVB) Program, which was signed into law in 1999 and provides benefits for certain World War II veterans. The SVB application also serves as the CVCB application, and payments for both programs are combined and issued by the SSA. CVCB program benefits are specifically for certain Filipino veterans of World War II who were eligible for CA SSP in 1999, who are eligible for the SVB program, and who have returned to live in the Republic of the Philippines. The department estimates that the caseload is around 375 cases. Grant levels are identical to the SSP portion for individuals.

Caseload. The SSI/SSP caseload has experienced slow and steady growth over the last decade at an average of approximately 0.9 percent annually. The caseload growth for 2016-17 continues this trend, growing from 1,307,789 in 2015-16 to 1,311,082 individuals, or an increase of 0.8 percent.

Cost-of-Living Adjustment (COLA). Under current law, the federal SSI and grant payments for SSI/SSP recipients are adjusted for inflation each January through Cost-of-Living Adjustments (COLAs). The state COLA for the SSP grant was suspended periodically throughout the 1990s and into the 2000s, with the last increase in 2005. The SSP COLA was permanently repealed in 2011 through statute.

Maintenance-of-Effort. The federal government has established a maintenance-of- effort (MOE) for the amount of SSP paid by California. The current SSP grant for individuals and couples is the state's March 1983 payment level. Violating this MOE would risk all of the state's Medicaid funding. In addition, California's SSI/SSP beneficiaries are ineligible for CalFresh benefits, due to the state's "cash-out" policy.

Grant Levels. The chart below displays the maximum monthly SSI/SSP grant for individuals and couples in 2007–08, as compared to grant levels for 2015–16. Reflecting SSP grant reductions and the suspension of the state COLA, the combined SSI/SSP maximum monthly grant for individuals and couples has declined as a percentage of federal poverty level (FPL) over the nine–year period.

	2007-08	**2015-16**
Maximum Grant—Individuals		
SSI	$637	$733
SSP	233	156
Totals	**$870**	**$889**
Percent of FPL	102.3%	90.6%
Maximum Grant—Couples		
SSI	$956	$1,100
SSP	568	396
Totals	**$1,524**	**$1,496**
Percent of FPL[1]	133.6%	112.7%

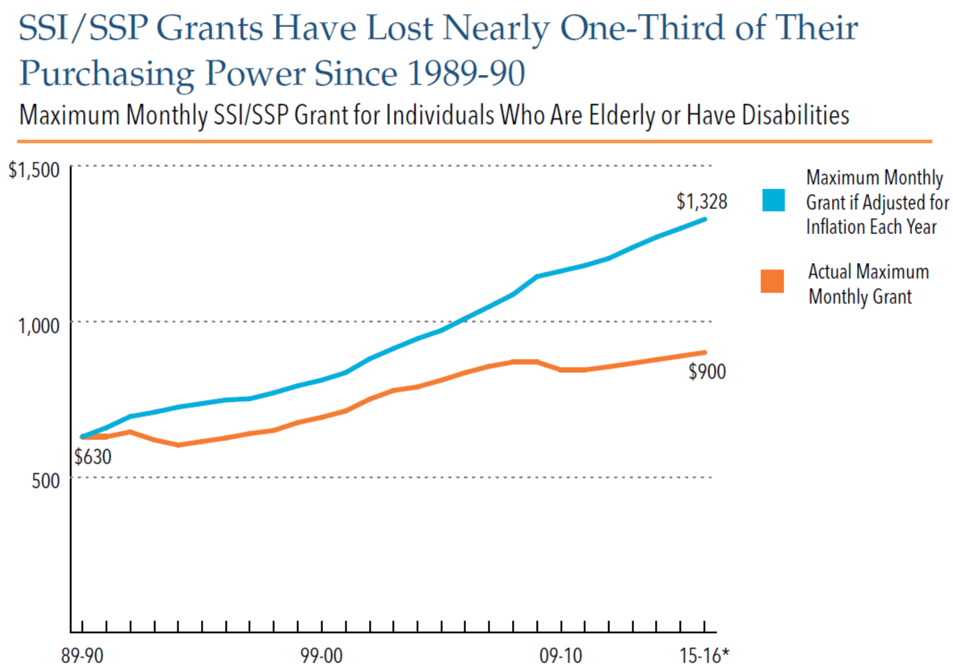
If the SSP COLA had been applied annually since 2005, when the last COLA was given to the SSP grant, the maximum grant for individuals would be $1,052 and the maximum grant for couples would be $1,868 in 2015-16.

According to the Legislative Analyst's Office (LAO), after adjusting for inflation, the maximum combined SSI/SSP grant for 2015-16 has declined significantly in purchasing power since 2007-08:

[1] FPL = federal poverty level

- Represents roughly $76 (8.7 percent) less purchasing power for individuals.
- Represents roughly $190 (12.4 percent) less purchasing power for couples.

According to the California Budget and Policy Center, fair market rent for a studio apartment exceeds one-half of the SSI/SSP grant for an individual in all 58 counties and is actually higher than the entire grant for 15 counties.[2] The chart below compares an individual's SSI maximum grant amount as a percentage of the federal poverty level and demonstrates its loss of purchasing power since 1989.



Source: California Budget and Policy Center. "California Budget Perspective 2015-16." March 2015. http://calbudgetcenter.org/wp-content/uploads/Budget-Perspective-2015_16-03.04.2015.pdf

SSI Advocacy. Applying to SSI is a complicated and challenging process, particularly for applicants that are homeless or have severe mental disabilities. Some studies have indicated that there may be a significant population of individuals who qualify for SSI who are not currently receiving benefits from the program[3]. In fact, many applicants are denied when they first apply, and it is only upon appeal that they receive assistance. In the meantime, which can range from months to year, they must subsist on General Assistance/General Relief (GA/GR) payments from the county, which are substantially less than an average SSI/SSP grant, and utilize emergency services at a high cost to state and local governments.

Some counties are currently investing in SSI advocacy programs to proactively assist applicants with the application process and helping them stabilize in the interim. Best practices include providing modest

[2] http://calbudgetcenter.org/wp-content/uploads/Fact-Sheet-_3.11.15_Due-to-State-Cuts-SSI_SSP-Grants-Lose-Ground-to-Housing-Costs.pdf
[3] http://economicrt.org/publication/all-alone/

housing subsidies, transportation and other supportive services, case management, outreach to participants, and collaboration with medical providers.[4] In particular, for individuals approved for SSI, housing subsidies can be recouped through the Interim Assistance Reimbursement (IAR), and these funds can then be applied toward another applicant in need of a housing subsidy.

The Senate “No Place Like Home” proposal includes a one-time investment to incentivize local governments to boost outreach efforts and advocacy to get more eligible poor people enrolled in the SSI/SSP program. The federal government covers 72% of the total costs of the SSI/SSP program.

Panel. The Subcommittee has requested the following panelists, in addition to the Department of Social Services, to provide comment on SSI Advocacy:

- San Mateo County representative
- Los Angeles County representative

Staff Comment and Recommendation. This is an informational item, and included for discussion. No action is required.

Questions.

1. Please briefly summarize the changes to SSI/SSP grant levels in recent years.

2. Please discuss the department’s current efforts to ensure that all eligible individuals are applying to SSI and what help (if any) is available to applicants who are denied.

[4] http://healthconsumer.org/SSIAdvocacyBestPracticesRpt.pdf

Issue 4: Trailer Bill Language: Governor's Proposal to Increase SSP Portion of Grant

Governor's Proposal. The Administration proposes to provide a COLA to the SSP portion of the grant. A COLA using the California Necessities Index (CNI) of 2.96 will be applied to the SSP portion of the grant beginning January 1, 2017. Half-year costs are $40.7 million General Fund (GF).

Background. As highlighted in the table below, the proposed state COLA would increase the SSP portion of the maximum grant by $4.63 per month for individuals and $11.73 per month for couples. Together with the estimated federal COLA, this proposal would raise individual grants by $17.09 per month, and couples' grants by $30.43 per month.

The combined state and federal COLAs would raise the individual maximum SSI/SSP grant to 92 percent of the 2015 federal poverty level, and the couples' maximum SSI/SSP grant to 115 percent of the 2015 federal poverty level. The federal poverty level for 2016 and 2017 has not yet been released, but it typically increases annually.

SSI/SSP Maximum Monthly Grants

	2016 Current Law Grant Levels	2017 Governor's Proposal	Difference
Individuals a>			
SSI	$733.00	$745.46	$12.46
SSP	$156.40	$161.03	$4.63
Totals	**$889.40**	**$906.49**	**$17.09**
Federal Poverty Level	*$980.83*	*$980.83*	
Percent of Poverty b>	**91%**	**92%**	
Couples c>			
SSI	$1,100.00	$1,118.70	$18.70
SSP	$396.20	$407.93	$11.73
Totals	**$1,496.20**	**$1,526.63**	**$30.43**
Federal Poverty Level	*$1,327.50*	*$1,327.50*	
Percent of Poverty b>	**113%**	**115%**	

a> Individuals category refers to aged or disabled individuals living independently in his/her own household.
b> Compares grant level to federal poverty guideline from the U.S. Department of Health and Human Services in 2015.
c> Couples category refers to aged or disabled couples living in their own household.

Source: Legislative Analyst's Office. January 2016.

The Legislative Analyst's Office expects the January CNI to be closer to 2.76 percent, which would decrease the cost for the proposed increase by approximately $3 million GF. They also estimate the CPI used by the federal government to adjust the SSI portion of the grant will be closer to 1.4 percent, as opposed to the 1.7 percent used in the Governor's proposal. The estimates for grant increases using the lower CNI and CPI are $14.51 for individuals and $26.23 for couples.

Other grant increase options. Other methodologies can be used to provide an adjustment to the SSI/SSP COLA. The Governor's proposal applies the CNI to only the SSP portion. However, in prior SSI/SSP grant increases, the CNI was applied to the entirety of the grant. Additionally, the Governor's proposal is a one-time increase. Prior to 2011, the Legislature had the ability to provide annual COLA adjustments to SSP portion of the grant.

Subcommittee staff has requested the Legislative Analyst's Office to provide estimates for several different scenarios to provide a better fiscal picture of what other options might cost. The scenarios and their estimated costs are as follows:

- Whole-grant COLA. Using the updated CNI of 2.76 percent and the updated CPI of 1.39 percent, applying a whole-grant COLA using the historical statutory formula would cost the General Fund about $115 million for six months, and about $232 million for a full-year.

- Increasing individuals' grants to the Federal Poverty Level (FPL). This would bring the maximum monthly grant for individuals to the 2016 FPL. The estimated cost for this scenario is $620 million for six months in 2016-17 and over $1.25 billion for the full year in 2017-18.

- Increasing all SSP grants by $10. Raising monthly grants by $10 for all recipients would result in General Fund costs of approximately $80 million for 6 months in 2016-17 and $162 million for the full year in 2017-18.

Staff Comment. The Legislature should carefully consider the implications of the proposed grant increase, particularly how the amount will impact recipients and how it fits into the overall larger picture of reducing poverty, and explore different options of how to apply the COLA to the SSI/SSP grant or otherwise increase the SSI/SSP grant. Staff also notes that the Senate Pro Tem and several other Senators have proposed a "No Place Like Home" initiative that includes state-level policy changes and investments intended to assist local governments in tackling the homelessness problem. The plan includes an augmentation to SSI/SSP grants and SSI advocacy, although the details are not yet specified.

Questions.

1. DSS: Please summarize the proposal.

2. LAO: Please discuss estimates for the following options for increasing the SSI/SSP grant amounts: (1) Whole grant COLA, (2) Increasing individuals' grants to the Federal Poverty Level, and (3) Increasing all SSP grants by $10.

Staff Recommendation. Hold Open.

Issue 5: Proposals for Investment

The subcommittee has received the following SSI/SSP-related proposals for investment.

- Restore the SSI/SSP Grant Cuts and the COLA

Budget Issue. The Western Center on Law and Poverty and other advocates request restoration on the SSP grant cuts and the cost-of-living adjustment (COLA) to bring individuals to at or above the FPL.

Background. Currently, the individual SSI/SSP grant is worth 90.2 percent of the FPL. If grant cuts had not occurred, and the COLA were applied annually, the SSI/SSP grant level for individuals would be 106.7 percent of the FPL.

Staff Comment and Recommendation. Hold open. The Senate "No Place Like Home" proposal also includes an undetermined augmentation to increase SSI/SSP grants.

- Expand SSI Advocacy for GA/GR Recipients

Budget Issue. The Western Center on Law and Poverty urges a strategy that will aid a portion of Californians reliant on GA/GR by assisting them in the SSI application process and providing other services and supports while they are waiting to be approved for SSI.

Background. The Western Center on Law and Poverty notes that approximately 130,000 Californians receiving GA/GR may be eligible for SSI, and that it is in California's interest to maximize the number of people receiving these federal dollars.

Staff Comment and Recommendation. Hold open. The Senate "No Place Like Home" proposal also includes a one-time investment to incentivize local governments to boost outreach efforts and advocacy to get more eligible people enrolled in the SSI/SSP program.

5180 – Department of Social Services, In-Home Supportive Services

Issue 6: Overview - IHSS

The In-Home Supportive Services (IHSS) program provides personal care services to approximately 490,000 qualified low-income individuals who are blind, aged (over 65), or who have disabilities. Services include feeding, bathing, bowel and bladder care, meal preparation and clean-up, laundry, and paramedical care. These services help program recipients avoid or delay more expensive and less desirable institutional care settings.

Budget Issue. The budget proposes $10.2 billion ($3.2 billion General Fund) for services and administration and includes funding for compliance with federal overtime regulations. Of that amount, $3.1 billion ($1.6 billion General Fund) is for IHSS Basic Services, an overall increase due to growth in caseload of 5.7 percent, and higher cost per hour, due to the increase in the hourly minimum wage from $9 to $10, effective January 1, 2016, and county wage increases. In addition, the budget includes a net increase of $186.4 million ($82.8 million GF) from 2015-16 to reflect the annualized cost of complying with federal labor regulations and making system changes in CMIPS. Caseload growth and wage increases for IHSS Providers continue to be two primary drivers of increasing IHSS service costs.

Service delivery. County social workers determine IHSS eligibility and perform case management after conducting a standardized in-home assessment of an individual's ability to perform activities of daily living. In general, most social workers reassess annually recipients' need for services. Based on authorized hours and services, IHSS recipients are responsible for hiring, firing, and directing their IHSS provider(s). If an IHSS recipient disagrees with the hours authorized by a social worker, the recipient can request a reassessment, or appeal their hour allotment by submitting a request for a state hearing to DSS. According to DSS, around 73 percent of providers are relatives, or "kith and kin."

In the current year, IHSS providers' combined hourly wages and health benefits vary by county, and range from approximately $9.00 to $18.00 per hour. Prior to July 1, 2012, county public authorities or nonprofit consortia were designated as "employers of record" for collective bargaining purposes on a statewide basis, while the state administered payroll and benefits. Pursuant to 2012-13 trailer bill language, however, collective bargaining responsibilities in seven counties – Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, and Santa Clara – participating in Coordinate Care Initiative (CCI) shifted to an IHSS Authority administered by the state.

Coordinated Care Initiative. CCI requires Cal Medi-Connect to coordinate medical, behavioral health, long-term institutional, and home and community-based services, and to administer IHSS according to current program standards and requirements. The intent of CCI is to improve integration of medical and long-term care services through the use of managed health care plans and to realize accompanying fiscal savings. As IHSS becomes a Medi-Cal managed care benefit in the seven counties, each county is responsible for paying a MOE amount, not a percentage of program costs.

The department indicates that it continues integration and monitoring of CCI requirements. DSS collects monthly and quarterly statistics from the CCI counties regarding integration of IHSS into managed health care plan (MHCP) operating procedures and monitors effectiveness of MHCP Care Coordination Teams The Governor's budget extends CCI funding into FY 2016-17.

Universal Assessment Tool. Under CCI, IHSS will continue to be the major home and community-based services for seniors and persons with disabilities. In 2012, the Legislature authorized the development and pilot implementation of a universal assessment tool (UAT). DHCS, DSS, and CDA must develop a UAT to assess a Medi-Cal beneficiary's need for Home and Community-Based Services. The goal is to enhance personalized care planning under CCI, and create a common tool that can be used by all involved in the care of beneficiaries who need home and community based long-term care services.

CDSS, DHCS and CDA continue to work with the Design Team from the UCLA Boren School of Gerontology to prepare draft UAT for focus group, pre-pilot and pilot testing. It is expected that UAT focus group testing will begin in May 2016 and pre-pilot testing in early 2017. Below is a timeline for the UAT provided by the department:

UNIVERSAL ASSESSMENT TOOL (UAT)
FY 2015-16 and FY 2016-17 Estimated Timeline

ESTIMATED DATES*	ACTION	DESCRIPTION
May/June 2016	Focus groups	▪ Submit focus group protocols to UCLA Institutional Review Board, review recommendations with Advisory Team, update. ▪ Recruit focus group participants, report to Advisory Team on challenges. ▪ Conduct focus groups.
	Stakeholder participation	▪ Identify stakeholders to be included in reconstituted stakeholder group, ▪ draft materials and agenda, ▪ conduct stakeholder meeting w/public comment period, and ▪ update UAT based on stakeholder participation.
	UAT Version 1.0	▪ Provide draft of Pre-Assessment Telephone Interview. ▪ Provide item list for Advisory Team review. ▪ Create first complete version of tool.
July/August 2016	Draft pilot design parameters	▪ Describe procedures to be followed in pilot testing UAT. ▪ Obtain approval from UCLA Institutional Review Board.
September/October 2016	UAT Version 2.0 Final	▪ Finalize the UAT version to be used for pilot testing.
November 2016	Stakeholders' meeting	▪ Public comment period. ▪ Review pilot testing version of UAT with stakeholders. ▪ Incorporate feedback.
December	Prepare for pilot testing	▪ Identify counties to participate in pilot testing.

ESTIMATED DATES*	ACTION	DESCRIPTION
2016/January 2017		▪ Meet with those counties to discuss pilot procedures and monitoring of pilot progress.
February/March 2017	Conduct pilot testing	▪ Participating counties will use the UAT for IHSS assessments and reassessments. ▪ UAT team will observe during "ride-alongs."
April/May 2017	Pilot debriefing	▪ Meet with participating counties for feedback on experience with UAT pilot.
May/June 2017	UAT revisions	▪ Revise UAT, incorporating feedback from counties, with the goals of improving validity and reliability, adjusting and clarifying language, and improving the experience for the assessor and applicant. ▪ Begin review analysis of impact to CMIPS.

*Note that these timelines are contingent on work with the vendor and are subject to change.

Program Funding. The program is funded with federal, state, and county resources. Federal funding is provided by Title XIX of the Social Security Act. Prior to July 1, 2012, the state and counties split the non-federal share of IHSS funding at 65 and 35 percent, respectively. A 2012-13 budget trailer bill changed this structure as of July 1, 2012, to base county IHSS costs on a maintenance-of-effort (MOE) requirement. The change was related to enactment of the CCI, also called the Duals Demonstration project.

Recent policies. Several recent policies have impacted the IHSS program[5], including:

- Reduction of IHSS recipient hours. A legal settlement related to *Oster v. Lightbourne* and *Dominguez v. Schwarzenegger*, resulted in an eight percent reduction to authorized IHSS hours, effective July 1, 2013. Beginning in July 1, 2014, the reduction in authorized service hours was changed to seven percent. The 2015 Budget Act approved $225.9 million in one-time General Fund resources, and related budget bill language, to offset the seven-percent across-the-board reduction in service hours.

  The 2016-17 Governor's budget proposed to use a portion of the revenues from a restructuring of the existing Managed Care Organization (MCO) tax to restore the seven percent across-the-board reduction, beginning July 1, 2016. The cost for the seven percent restoration is estimated at $236 million General Fund in 2016-17. However, the MCO tax, as passed on February 29, 2016, does not include the seven percent restoration on an ongoing basis. Details of the Administration's proposal to restore the IHSS service hours for the budget year will be provided at May Revision. The Administration believes the restoration should remain in effect as long as the MCO tax is operational.

3. Some policies, including the "share-of-cost," remain in effect. An individual pays a share-of-cost for IHSS services,if they have income above SSI/SSP grant level.

- Minimum wage increases. Assembly Bill 10 (Alejo), Chapter 351, Statutes of 2013, increased the minimum wage from $8 per hour to $9 per hour in July 2014, with gradual increases until the minimum wage meets $10 per hour by January 2016. 29 counties will be impacted by the minimum wage increase in 2016-17. All non-federal IHSS provider wage costs will be funded by the General Fund, around $33 million for 2015-16 and $69.7 million for 2016-17.

  In addition, SB 3 (Leno) was signed by the Governor on April 4, 2016 which will move the state's current $10 per month for minimum wage to $10.50 at the beginning of 2017, and schedules annual increases to $15 for most employers by 2022. SB 3 also provides three paid sick leave days to IHSS workers beginning July 2018, and requires DSS, in conjunction with stakeholders, to convene a workgroup to implement paid sick leave for IHSS providers and issue guidance by December 1, 2017. The department estimates costs arising from this bill will be $21 million General Fund in the first year of implementation, with cumulative costs of $1.8 billion General Fund at full implementation for IHSS providers. (Approximately $228 million of this total at full implementation is attributable to IHSS sick leave).

- Fair Labor Standards Act (FLSA)—Final Rule. FLSA is the primary federal statute dealing with minimum wage, overtime pay, child labor, and related issues. Under current law, some provisions of the FLSA do not apply to certain employees, including the "Companionship Services Exemption" for domestic service employees who: 1) provide babysitting services on a casual basis, or 2) provide "companionship services" to individuals who are unable to care for themselves. Federal regulations define "companionship services" as services that provide fellowship, care, and protection for a person who, because of advanced age or physical or mental disability, cannot care for his or her own needs. These services may include household work, such as meal preparation, bed-making, clothes washing, and other similar services that can be provided through IHSS. General housework may also be included, subject to some limitations. Current regulations exempt employees of third-party agencies and live-in domestic service employees who provide companionship services from overtime regulations in FLSA.

  In September 2013, the U.S. Department of Labor (US DOL) issued a final rule, effective January 1, 2015, which redefined "companionship services;" limited exemptions for "companionship services" and "live-in domestic service employees" to the individual, family, or household using the services (not a third party employer). The rule also required compensation for activities, such as travel time between multiple recipients, wait time associated with medical accompaniment, and time spent in mandatory provider training. Under the final rule, employers must pay at least the federal minimum wage ($7.25) and overtime pay at one and a half times the regular pay if a provider works more than 40 hours per work week. However, due to various court actions, the final rule was implemented in California effective February 1, 2016.

  SB 855 (Committee on Budget and Fiscal Review) Chapters 29, Statutes of 2014, established a limit of 66 hours per week for IHSS providers based on the statutory maximum of 283 hours a month for IHSS recipients, and limited travel time for providers to seven hours a week. DSS or counties may terminate a provider in the event of persistent violations of overtime or travel limitations. There is a three month hold-harmless period for IHSS providers as overtime changes take effect. More information on FLSA and implementation is included later on in this agenda.

Staff Comment and Recommendation. Hold open. In regards to the restoration of the seven percent reduction in service hours for IHSS recipients, it appears that the Administration views the restoration as tied to the MCO tax. The Legislature may wish to consider if it makes sense to continue to tie the restoration to the MCO tax or to separate it and have it included as ongoing.

Questions.

1. Please provide an overview for the IHSS program, including caseload and funding levels.

2. Please provide an update on CCI and the UAT.

3. What is the implementation date for the UAT now?

4. Please describe the current thinking around the restoration of the seven percent for IHSS recipients.

Issue 7: Oversight – Fair Labor Standards Act (FLSA) Overtime Implementation

Governor's Proposal. The budget assumes FLSA regulations, as set forth under SB 855 (Committee on Budget and Fiscal Review) Chapters 29, Statutes of 2014, will begin on February 1, 2016, and provides $580 million ($270 million General Fund) in 2015-16, and $850 million ($393 million General Fund) in 2016-17, for the implementation of the federal requirements. The $850 million is allocated as follows:

- $475 million for FLSA regulations
- $366 million for FLSA compliance (medical accompaniment wait time, travel time, and mandatory provider training)
- $5 million for FLSA administration
- $4 million for the Case Management, Information and Payrolling System (CMIPS)

Background. The new FLSA overtime regulations require states to pay overtime compensation, and to compensate for activities such as travel time between multiple recipients, wait time associated with medical accompaniment, and time spent in mandatory provider training. Under the final rule, employers must pay overtime at one and a half times the regular pay if a provider works more than 40 hours per work week.

SB 855 (Committee on Budget and Fiscal Review) Chapters 29, Statutes of 2014, established a limit of 66 hours per week for IHSS providers based on the statutory maximum of 283 hours a month for IHSS recipients, and limited travel time for providers to seven hours a week. DSS or counties may terminate a provider in the event of persistent violations of overtime or travel limitations. The final rule was implemented in California effective February 1, 2016. There is a three month hold-harmless period until May 1, 2016, for IHSS providers as overtime changes take effect. During this period, providers will not accrue penalties if they violate the overtime and travel time limits, and county social workers can work with IHSS providers found violating the limits to ensure that they won't make the same mistakes when the grace period is over.

The Governor's budget estimates that 28 percent of providers typically work more than 40 hours per week, and that most of these providers generally work less than the new 66 hour per week cap.

Recently enacted policies. After the release of the 2016-17 budget, the department issued guidance to counties establishing two exemptions to the overtime cap to ensure continuity of care and allow IHSS recipients to remain safely in their own homes:

- **Exemption 1: Live-In Family Care Providers**. An exemption for providers with multiple live-in recipients includes providers who, as of January 31, 2016 are live-in family care providers (including, parent, grandparent, adoptive parent, step-parent or legal guardian), residing in the home for two or more disabled minor or adult children or grandchildren for whom they provide IHSS. The IHSS providers who meet these requirements will be able to work up to 90 hours per work week, not to exceed 360 hours per month. This exemption is expected to apply to approximately 1,200 IHSS providers.

- **Exemption 2: Extraordinary Circumstances**. An exemption to the hour limitations is also available for providers who have extraordinary incurable circumstances who will be allowed to work beyond the recipient's maximum weekly hours or beyond the 66 hour limitation for two or more IHSS recipients. To be considered for Exemption 2, the provider must work for two or more IHSS recipients whose circumstances put them at serious risk of placement in out-of-home care. In order to qualify for Exemption 2, all recipients the provider works for must meet at least one of the following conditions:

    - Have complex medical and/or behavioral needs that must be met by a provider who lives in the same home as the recipient.
    - Live in a rural or remote area where available providers are limited and as a result the recipient is unable to hire another provider.
    - Be unable to hire a provider who speaks his/her same language in order to direct his/her own care.
    - The provider need not live in same home as the recipient(s) to qualify for Exemption 2 if the recipients meet conditions B and/or C above. Evaluation of cases to determine whether an exemption will be granted or denied will be conducted by CDSS and counties.

Recently, on April 8, 2016, the department issued a decision that the State will not terminate IHSS providers from the program if they fail to return the "IHSS Provider Enrollment Agreement" form by the April 15th deadline. However, this does not affect the notice and penalty procedures for IHSS program violations related to implementation of the FLSA regulations, which will still go into effect beginning May 1, 2016.

Current Status of Implementation. The department has provided the following table documenting milestone implementation activities:

CDSS ADULT PROGRAMS DIVISION
OVERTIME (FLSA IMPLEMENTATION) TIMELINE

Completion Date	Milestone	State/County Activities
February 1, 2016	Implementation of overtime	**Implementation of FLSA requirements – SB 855 and SB 873 workweek and overtime provisions.** • CDSS released ACL 16-01 to provide counties with instructions, including the policies and procedures for implementation of the overtime, workweek requirements, (pursuant to SB 855 and SB 873). These included the revised forms and notices (including the workweek agreements for providers and recipients). **Timesheets and Travel Claim Form -** Timesheet (SOC 2261) and CMIPS modifications were made to accommodate the payment of overtime implemented on February 1, 2016 as well as claiming of travel time.
Feb 9, - Feb 26, 2016	Training Sessions	**Training-for-Trainer (T4T) sessions commenced February 9, 2016, and concluded February 26, 2016.** • CDSS conducted the training sessions statewide to approximately 320 trainers at the counties, Public Authorities (PAs), and labor organizations.
February 21, 2016	Overtime Exemption 1	**Overtime Exemption 1: Live-In Family Care Provider Overtime Exemption.** • CDSS released ACL 16-07 to provide counties with information for implementing Overtime Exemption 1. IHSS providers who want to qualify for Overtime Exemption 1 must submit the completed SOC 2279 to CDSS by April 1.
Currently in process	Overtime Exemption 2	**Overtime Exemption 2: Extraordinary Circumstances.** • CDSS is developing a second exemption to allow IHSS providers to work beyond a recipient's maximum weekly hours or beyond the 66-hour workweek limitation.
April 15, 2016	Forms and Workweek Agreements	**Deadline for completed forms SOC 846, SOC 2256 and SOC 2255 to be returned (completed) to counties for processing**
May 1, 2016	Violations	**Violations (Non-Compliance with Workweek and Overtime Requirements) -** Grace period ends. Violations for non-compliance with workweek and overtime requirements will be formally enforced beginning May 1, 2016.

Ongoing Implementation Monitoring. The department states that it will continue to provide training sessions and monthly data, and counties will provide technical assistance and coaching to providers on how to fill out time sheets properly. In addition, the department will provide data in quarterly reports starting six months after implementing the FLSA that will include data on the number of timesheets with overtime, the number of exemptions, payroll stats, etc. This is in addition to the requirement for a study that was included in SB 855.

Advocate Concerns. The IHSS Coalition is made up of 50 advocacy organizations, including the County Welfare Directors Association, California Association of Public Authorities, Disability Rights California, Service Employees International Union, and UDW/AFSCME. The Coalition has expressed that they have serious concerns over current FLSA implementation, and they have identified various concerns with the roll out of the FLSA provisions, including:

- Late and incomplete All County Letters/instructions make it extremely difficult for counties to implement FLSA. Without adequate instructions, counties and public authorities cannot plan for adequate staffing. Additionally, stakeholders note that they generally have little time to review or provide input on draft versions of All County Letters.

- Advocates are concerned that the violations policy doesn't appear to allow counties to reverse or rescind violations based on simple timesheet errors.

- The exemptions policy is late and falls short of meeting critical client needs. Specifically, the latest Exemption 2 policy was just recently issued on April 1st without stakeholder review. Advocates feel that the policy misses critical populations – those that are not living together but have a provider who is critical to providing that care.

- For Exemption 1, the Coalition is disappointed in the direction that DSS has opted to take to exclude providers who completed all enrollment requirements except that his or her CORI results were not received.

- The Coalition has further concerns on the implementation of the exemptions policy. For Exemption 1, counties discovered that not all of the potentially eligible Exemption 1 groups were properly noticed by DSS. This is because of how CMIPS identified providers. Counties will notice and reach out to those who were left out, but in the meantime DSS has given those parents to April 1st to apply. Advocates are concerned that this is too short of a timeline, and although DSS staff say they will continue to accept requests after April 1st, advocates do not know for how long.

- For Exemption 2, the biggest concern is that DSS refused to notice the potential eligible population, which leaves this responsibility to the counties and leaves eligible consumers and providers with no chance to get this exemption before violations start.

- The Waiver of Personal Care Services (WPCS) clients are also eligible for exemptions, but this is administered by DHCS which has yet to provide specific information on how to apply for an exemption. Those providers who provide WPCS and IHSS, with hours over 283 per month, will start receiving violation notices on May, and advocates do not know who will be able to remove violations from the CMIPS record.

Panel. The subcommittee has requested the following panelists, in addition to the Department of Social Services, to provide comment on FLSA implementation and respond to the Administration:

- Cathy Senderling, CWDA
- Deborah Doctor, Disability Rights California
- SEIU Representative

Staff Comment. In considering implementation of overtime regulations, the Legislature may wish to consider the following:

- **Exemptions.** The Legislature may want to consider whether current exemptions policies are sufficient to ensure that these vulnerable populations are not negatively impacted by the caps, and decide whether the Governor's administrative approach is sufficient, or if a statutory change is needed.

- **Continued Monitoring of Implementation.** As implementation of FLSA goes into effect in California, the Legislature should continue to monitor how providers and recipients are faring under the new regulations and ensure that any unanticipated problems with implementation are addressed. Around the time of the May Revision, the three month "non-enforcement" period of workweek caps will expire. Specifically, the Legislature should monitor:

    - **Recipients.** Do recipients understand the workweek caps and how it may affect their providers and the care they receive? Are recipients receiving help to find additional providers, if needed? Are recipients still receiving all of the services they need?

    - **Providers.** Do providers understand the workweek caps and the consequences of exceeding the caps? Have providers received training on how to fill out their timesheets? Are providers receiving additional training once a violation has occurred? How is the violations policy impacting providers? Do providers know if they are eligible under the exemptions policies?

Questions.

1. Please provide an update on FLSA implementation.

2. Please summarize the two exemptions policies developed by the department, and efforts by the department to notify recipients of these exemptions. How many providers have applied for each type of exemption so far? What is the appeals process if the county denies an exemption?

3. Please describe the violations policy, and various stages in the process before a provider would be terminated. What preliminary data is the department seeing in terms of errors? Please discuss continued efforts to train providers.

4. Please clarify the state's policy regarding rescinding violations based on time sheet errors.

5. Does the department feel that providers and recipients, as well as counties and others involved, are ready to implement the violations policy as of May 1st?

6. How has the department responded as issues with implementation have arisen so far? How is the department involving stakeholders in discussions on how to handle bumps in implementation?

Staff Recommendation. Hold open.

Issue 8: Trailer Bill Language: Contract Mode Adjustments to Maintenance of Effort

Governor's Proposal. The Administration proposes to clarify in existing law that counties are responsible for paying the entire nonfederal share of any IHSS cost increase exceeding the maximum amount of the state's participation, and that the counties' share of these expenditures are included in the county IHSS MOE.

Background. Beginning July 1, 2012, all counties in California were required to have a county IHSS MOE, which would be in-lieu of paying the nonfederal share of IHSS costs. Statute specified that the county's IHSS MOE would be based on expenditures from FY 2011-12 and would be adjusted by an inflation factor of 3.5 percent annually, beginning July 1, 2014. In addition, the county IHSS MOE would be adjusted for the annualized costs of increases in provider wages and/or health benefits that were locally negotiated, mediated, or imposed prior to the Statewide Authority assumption of its responsibilities. If DSS approved a rate or benefit increase, the state would be responsible for 65 percent of the nonfederal share of the costs while the county would be responsible for the remaining 35 percent with a limit for the state up to $12.10 per hour for wages and health benefits.

The department notes that this proposal clarifies and affirms the intent of existing law that the increased costs to the contract mode are shared by the counties, consistent with the IHSS MOE.

Advocate concerns. The California State Associate of Counties (CSAC), the County Welfare Directors Association of California (CWDA), and the California Association of Public Authorities (CAPA) have concerns with the current way the TBL is drafted. They are not opposed to TBL that would clarify that the county IHSS MOE's should be increased for the county's share of contract provider wage or health benefit increases resulting from local negotiations, but feel that the proposed language is too broad.

Staff Comment and Recommendation. Hold open. The department indicates it is working with CWDA and others to address concerns that it is too broad, and a revision to the TBL is expected at May Revision.

Questions.

1. Please provide a summary of the proposal.

2. Please explain why the department finds it is necessary to clarify this in TBL.

Issue 9: Budget Change Proposal: In-Home Supportive Services (IHSS) Case Management, Information and Payrolling System (CMIPS) Maintenance and Operations (M&O)

Governor's Proposal. 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).

Background. The UAT is a product of Assembly Bill (AB) 664 and will be implemented in FY 2016-17. Existing law requires the three main Home and Community Based Services (HCBS) programs (IHSS, Community-Based Adult Services (CBAS), and Multipurpose Senior Services Programs (MSSP)) to perform their own eligibility determinations and service assessments. AB 664 establishes the UAT to create a single HCBS assessment to record and improve care coordination and data collection between the HBCS programs. The department asserts that they will need the 2.0 AGPA positions for implementation of the UAT into CMIPS.

Staff Comment and Recommendation. Hold open. Given that the UAT is scheduled to implement in 2016-17, this request should be considered in light of the overall implementation picture for the UAT.

Questions.

1. Please summarize the proposal.

2. Please provide more detail on how the UAT will need CMIPS functionality, and what that will look like.

Issue 10: Proposals for Investment

The subcommittee has received the following IHSS-related proposals for investment.

- Simplification of IHSS FLSA Implementation

Budget Issue. The IHSS Coalition has proposed the following policy changes to address concerns they have with current FLSA implementation:

- Extend the grace period to September 1, 2016. Given the significant program changes and challenges in recruiting additional IHSS providers, advocates believe the grace period should be extended before consequences for violating overtime and travel time limits become effective to give additional time to make programmatic changes necessary to comply with FLSA. Advocates cite this as their top priority, and one that would be helpful to almost all other changes they are proposing.

- Ensure that consumers can continue to receive services to remain safely at home. The Coalition asserts that statutory protections are needed to allow for situations when a provider can work above the cap of 66 hours per week in certain situations, including (1) Providers who are the parent, step-parent, grandparent or legal guardian of two or more children, (2) Spouses, domestic partners, adult children caring for parents, adult siblings, and adult grandchildren when no other suitable provider is available; and (3) Individual consumer situations when there is no other suitable provider available, the recipient would be at risk of out-of-home placement, or the recipient's health or safety would be at risk.

- Align IHSS Authorized Hours with FLSA Policy. Current law requires a monthly authorization of hours, while FLSA requires consumers and providers to track their hours by the week. Advocates cite that now consumers have to take an additional step of converting back to a weekly amount, and that this extra step can easily lead to errors in calculation and violations that could end in termination. To address this issue, the Coalition suggests that the department (1) pay providers on a bi-weekly basis in 26 equal pay periods, (2) create equitable caps for IHSS providers, (3) authorize all IHSS tasks by the week, and (4) retain current flexibility in the IHSS program to move hours without having to contact the county to seek permission.

- Pay for Certain Services in Arrears to Align with FLSA. SB 855 allows travel time to be paid in arrears after the travel is incurred. This travel time is not taken from consumers' authorized hours, it is an addition. However, wait time is deducted from authorized hours. Advocates are concerned that this puts consumers with the highest need in jeopardy of providers not assisting them at medical appointments or doing so at the cost of other services. The Coalition would also like to see other, infrequently occurring services, such as yard hazard abatement or heavy cleaning, be paid in arrears along with wait time.

- Permit Waiver Clients to Access Public Authority Registry Services. This proposal would allow consumers of Waiver Personal Care Services to contract the registry to help them identify in-home providers.

Staff Comment and Recommendation. Hold Open.

- Restoration of the IHSS Share of Cost (SOC) Buy-Out.

Budget Issue. Disability Rights California (DRC) requests the restoration of the IHSS SOC buy-out. DRC cites that the 2009 repeal of the IHSS SOC buy-out left some IHSS consumers, who have income above the SSI amount (currently $889.40 for an individual) with substantially less than the SSI level income to live on. To receive IHSS, they must spend down to $600, the Medically Needy amount. This leaves them more at-risk for institutionalization.

Background. The IHSS SOC Buy-Out program was eliminated as part of the 2009-10 budget. Now, IHSS recipients who have no alternative route to Medi-Cal have to meet the higher Medi-Cal SOC on their own before the IHSS program pays for the remaining costs of their services.

Staff Comment and Recommendation. Hold Open.

- CMIPS II Reprogramming for Additional Hours in the CCI

Budget Issue. UDW/AFSCME and several other organizations, including the California Association of Public Authorities for IHSS, Congress of California Seniors, and Disability Rights California request the reprogramming of the Case Management, Information and Payrolling System (CMIPS II) to allow manage care plans to pay IHSS providers for additional hours authorized through the Coordinated Care Initiative (CCI).

Background. The CCI statute includes the provision for managed care plans providing services in CCI to authorize and pay for extra homecare services beyond what an IHSS social worker has authorized for a consumer enrolled in CCI. However, managed care plans are prohibited by statute from paying an individual provider of homecare services directly. Currently, there is no mechanism in statute to pay an individual provider to provide these extra homecare services that are authorized and funded by the managed care plans.

Staff Comment and Recommendation. Hold Open.

- Seven Percent Restoration

Budget Issue. AFSCME, UDW and others request that the seven percent cut be permanently restored, regardless of funding source.

Staff Comment and Recommendation. Hold Open.

5180 Department of Social Services – Community Care Licensing (CCL)

Issue 11: Overview – Community Care Licensing

Background. The Community Care Licensing (CCL) Division in the Department of Social Services (DSS) oversees the licensure or certification of approximately 66,000 licensed community care facilities that include child care, children's residential, adult and senior care facilities, and home care services. CCL is responsible for protecting the health and safety of individuals served by those facilities. Approximately 516 licensing analysts investigates any complaints lodged, and for conduct inspections of the facilities. The table below indicates facilities licensed by CCL.

Facility Type	Description
Child Care Licensing	
Family Child Care Home	Less than 24 hour non-medical care in licensee's home.
Child Care Center	Less than 24 hour non-medical care in a group setting.
Children's Residential Facilities	
Adoption Agency	Assists families in the adoption process.
Community Treatment Facility	24-hour mental health treatment services for children certified as seriously emotionally disturbed with the ability to provide secure containment.
Crisis Nursery	Short-term, 24 hour non-medical care for eligible children under 6 years of age.
Enhanced Behavioral Supports Home	24-hour nonmedical care, in a residential facility or group home, for individuals with developmental disabilities requiring enhanced behavioral supports, staffing, and supervision in a homelike setting.
Foster Family Agency	Organizations that recruit, certify, train and provide professional support to foster parents; and identify and secure out of home placement for children.
Group Homes	24-hour non-medical care provided to children in a structured environment.
Out of State Group Home	24 hour non medical care provided to children in out-of-state group homes identified by counties to best meet a child's specific and unique needs.
Runaway and Homeless Youth Shelter	A group home to provide voluntary, short-term, shelter and personal services to runaway or homeless youth.
Short Term Residential Treatment Program	Provide short-term, specialized, and intensive treatment and will be used only for children whose needs cannot be safely met initially in a family setting.
Foster Family Home	24-hour care for six or fewer foster children.
Small Family Homes	24-hr. care in the licensee's home for 6 or fewer children, who have disabilities.
Temporary Shelter	County owned and operated facilities providing 24 hour, short term residential care and supervision to dependent children remove from their homes due to abuse or neglect.
Transitional Care Facilities for Children	County owned and operated (or non-profit organization under contract with the County) facilities providing

Facility Type	Description
	24hour, short term residential non-medical care for children in a residential setting.
Transitional Housing Placement	Provides care for 16+ yrs. old in independent living.
Adult & Elderly Facilities	
Adult Day Programs	Community based facility/program for person 18+ years old.
Adult Residential Facilities (ARF)	24-hour non-medical care for adults, 18-59 years old.
Adult Residential Facility for Persons with Special Healthcare Needs	24-hour services in homelike setting, for up to 5 adults, who have developmental disabilities, being transitioned from a developmental center.
Community Crisis Home	24-hour nonmedical care to individuals with developmental disabilities in need of crisis intervention services.
Continuing Care Retirement Communities (CCRC)	Long-term continuing care contract; provides housing, residential services, and nursing care.
Enhanced Behavioral Supports Home	24-hour nonmedical care to individuals with developmental disabilities who require enhanced behavioral supports, staffing, and supervision in a homelike setting.
Residential Care Facilities for the Chronically Ill	Facilities with maximum capacity of 25.
Residential Care Facilities for the Elderly (RCFE)	Care, supervision, and assistance with activities of daily living to eligible persons, usually 60+ yrs. old. Facilities range from 6 beds or less, to over 100 beds.
Social Rehabilitation Facilities	24-hour non-medical care in group setting to adults recovering from mental illness.
Special Agencies	
Certified Family Homes (CFH)	Homes certified by foster family agencies.

Background Checks. Applicants, licensees, adult residents, and employees of community care facilities who have client contact must receive a criminal background check. An individual submits fingerprint imaging to the California Department of Justice (DOJ). The Caregiver Background Check Bureau, within CCL, processes and monitors background checks. If an individual has no criminal history, DOJ will forward a clearance notice to the applicant or licensee and to the Caregiver Background Check Bureau within the Community Care Licensing Division. If an individual has criminal history, DOJ sends the record to the Bureau, where staff reviews the transcript and determines if the convictions for crimes may be exempt. For individuals associated with a facility that cares for children, an additional background check is required through the Child Abuse Central Index.

Facility licensing practices and requirements. All facilities must meet minimum licensing standards, as specified in California's Health and Safety Code and Title 22 regulations. Approximately 1.4 million Californians rely on CCL enforcement activities to ensure that the care they receive is consistent with standards set in law.

DSS conducts pre- and post-licensing inspections for new facilities and unannounced visits to licensed facilities under a statutorily required timeframe. Currently, the department must visit all facilities at least once every five years with an additional random sample of 30 percent of facilities each year.

The chart below summarizes the total and type of inspections conducted in licensed facilities and how many inspections utilized the Key Indicator Tool (KIT) verses comprehensive inspections triggered after initiation of a KIT visit.

CCL Inspections in All Facilities By Type of Inspection and Protocol Fiscal Year 2014-15			
Type of Inspection	**Total of Inspections**	**Percentage of inspections utilized the Key Indicator Tool (KIT)**	**Percentage of inspections that utilized the KIT triggered a comprehensive inspection**
Annual Required Inspection	5,230	4,601 (88.0%)	332 (7.2%)
Random Inspection	22,140	21,322 (96.3%)	983 (4.6%)
Required Five-Yr. Visit	1,029	919 (89.3%)	134 (14.6%)

Key Indicator Tool. After various changes in 2003, and because of other personnel reductions,[6] CCL fell behind in meeting the visitation frequency requirements. In response, DSS designed and implemented the key indicator tool (KIT), which is a shortened version of CCL's comprehensive licensing inspection instruction, for all of its licensed programs. The KIT complements, but does not replace, existing licensing requirements. A KIT measures compliance with a small number of rules, such as inspection review categories and facility administration and records review, which is then used to predict the likelihood of compliance with other rules. Some facilities, such as facilities on probation, those pending administration action, or those under a noncompliance plan, are ineligible for a key indicator inspection and will receive an unannounced comprehensive health and safety compliance inspection.

CCL contracted, until December 31, 2014, with the California State University, Sacramento, Institute of Social Research (CSUS, ISR) to provide an analysis and recommendations regarding the development and refinement of the KIT. CSUS, ISR is currently reviewing and analyzing four years of licensing data, both pre and post KIT implementation. However, due to the unforeseen data clean-up and the narrative basis of the data, the project's approach is currently being re-examined.

Complaints. Complaints are handled at regional offices. Licensing analysts, who would otherwise be conducting inspections, stay in the regional office two times a month, to receive complaint calls and address general inquiries and requests to verify licensing status from the public. CCL is required to respond to complaints within 10 days. During calendar year 2015, CCL received 15,746 complaints and initiated 15,557 (99 percent) of these investigations within ten days of receipt. The information below provides an analysis of DSS' complaint activity for the years of 2008 through 2015.

[6] CCL estimates that over 15 percent of its staff was lost due to retirements, transfers, and resignations, as well as a prolonged period of severe fiscal constraints.

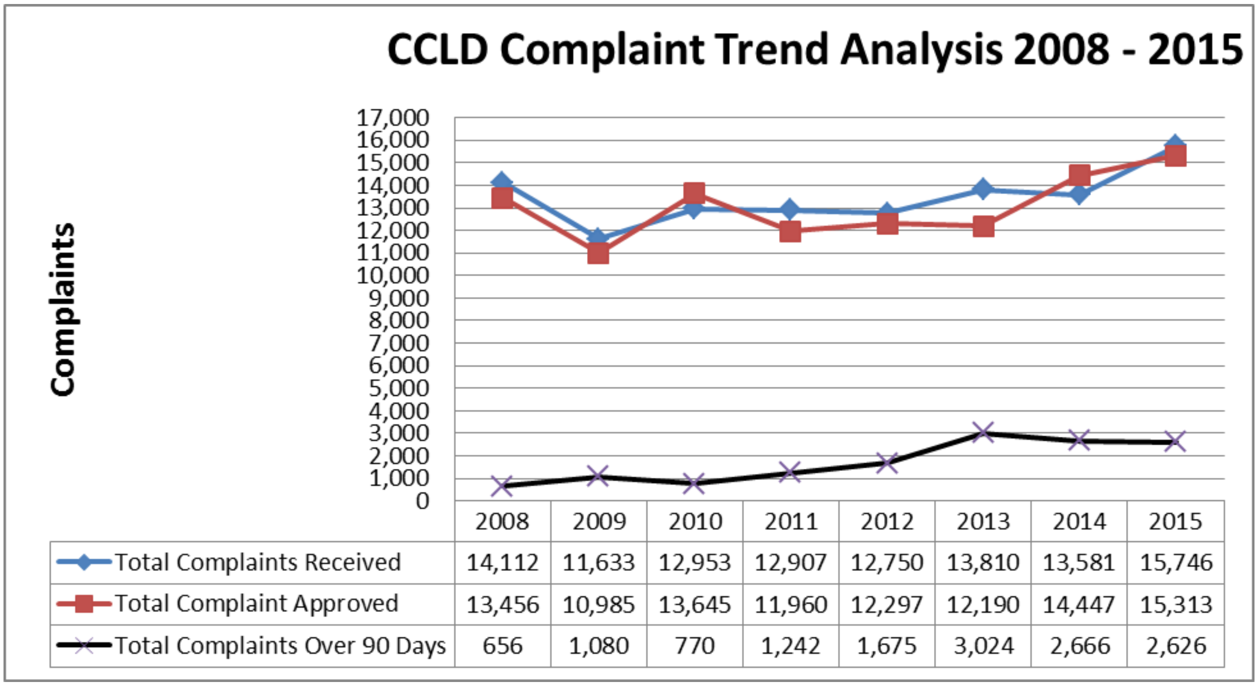
COMMUNITY CARE LICENSING DIVISION COMPLAINT ANALYSIS 2008 - 2015								
Year	Total Complaints Rolled Over From Prior Year(s)	Total Complaints Received	Total Complaints Received + Prior Year(s) Rollover	Total Complaint Approved	Current Year Net Loss/gain	Total Complaints Over 90 Days	Total Furlough Days	Authorized Positions*
2008		14,112			2,456	656		589.9
2009	2,456	11,633	14,089	10,985	3,104	1,080	2 - 3 days	515.4
2010	3,104	12,953	16,057	13,645	2,412	770	1 - 3 days	513.4
2011	2,412	12,907	15,319	11,960	3,359	1,242	0 - 1 days.	514.9
2012	3,359	12,750	16,109	12,297	3,812	1,675	0 - 1 days.	491.9
2013	3,812	13,810	17,622	12,190	**5,432**	**3,024**	0 - 1 days.	491.3
2014	5,432	13,581	19,013	14,447	4,566	2,666		501.8**
2015	4,566	15,746	20,312	15,313	4,999	2,626		516.8**

Bolded numbers represent highest complaint rollover to next year and total complaints over 90 days

*Positions include Complaint Specialists

Hiring Freeze 2/11 - 12/11

**The 516.8 does not include the 20.5 LPA positions allocated to the Central Complaint and Information Bureau (CCIB) in 2015 and the 501.80 does not include 19 positions allocated to CCIB in 2014.



Licensing fees and penalties. Licensed facilities must pay an application fee and an annual fee, which is set in statute. The revenue from these fees is used to partially offset the cost of CCL enforcement and oversight activities. In addition to these annual fees, facilities are assessed civil penalties if they are found to have committed a licensing violation. Civil penalties assessed on licensed facilities are deposited into the Technical Assistance Fund, and are required to be used by the department for technical assistance, training, and education of licensees.

Budget actions. In 2014-15, the budget included $7.5 million ($5.8 million GF) and 71.5 positions for quality enhancement and program improvement measures. The additional positions and resources seek to improve the timeliness of investigations; help to ensure the CCL Division inspects all licensed residential facilities at least once every five years, as statutorily required; increase staff training; establish clear fiscal, program, and corporate accountability; develop resources for populations with medical and mental health needs; and update facility fees. In 2015-16, the budget included an increase of 28.5 positions (13 two-year limited-term positions) and $3 million General Fund in 2015-16 to hire and begin training staff in preparation for an increase in the frequency of inspections for all facility types beginning in 2016-17. The adopted proposal increased the frequency of inspections from at least once every five years to at least once every three years or more frequently depending on facility type. These reforms go into effect incrementally through 2018-19. Below is a table showing the ramp up of inspections by facility type:

Inspection Frequency: Prior Law and As Enacted in the 2015 Budget

Facility Type	Prior Law	As Enacted in the 2015 Budget Stage 1: January 2017	Stage 2: January 2018	Stage 3: January 2019
	Inspections must occur at least once every. . .			
Child care facilities	5 years	3 years	3 years (unchanged from stage 1)	3 years (unchanged from stage 1)
Children's residential care facilities	5 years	3 years	2 years	2 years (unchanged from stage 2)
Adult and senior care facilities	5 years	3 years	2 years	1 year

As of March 22, 2016, all positions authorized in the FY in 2014-15 have been filled and for FY 2015-16, 86 percent of positions are filled. The CCL division has utilized these additional resources to strengthen the infrastructure by implementing many programs which have enhanced best practices, improved resources for licensees and implemented several programs identified below:

- **Quality Assurance Unit.** CDSS has implemented a Quality Assurance unit that has developed and implemented performance dashboards for Adult and Senior Care, Child Care and dashboards are currently being developed for Children's Residential programs. These reports will also be developed for pending complaints and applications, fieldwork efficiencies and timely completion of key workloads. The unit has also produced documentation of various types of facilities which informs the priority of resource guides for licensees developed in the Technical Assistance Unit. This unit also developed and implemented a High Risk Facility Analysis, including in-depth case history reviews for over 1,500 individual facilities from all programs that met the criteria for designation as a high risk facility and a database for ongoing monitoring of facilities identified as High Risk. These analyses complement the current monitoring and tracking for oversight of challenged facilities.

- **Technical Assistance Unit.** This unit has re-instituted provider consultation visits. Working from referrals from Regional Offices, this unit works under an agreement with the provider to identify options for issues of non-compliance. Technical assistance may include an evaluation of the facility, targeted training, sharing of best practices and/or directives; or the identification of grant opportunities to mitigate physical plant issues. This unit has recently published several Resource Guides including medications management (including psychotropic medications), and various others are under development. Upon completion, these Guides are posted on the CDSS website available to licensees and utilized for plans of corrections.

- **Centralized Complaint and Information Bureau.** This bureau was initiated in January 2015 with a staff of 23 to centralize all complaints into a single call center. The call center handles complaints statewide as well facility informational calls. In relation to the call center, the department has developed and widely disseminated toll free phone number that is posted in RCFEs across the state and available to all Community Care Facilities. Between January 2015 and March 2016, the call center has responded to approximately 81,000 calls.

- **Centralized Applications Unit.** This unit was established in May 2015 with 11 staff to process all new Adult and Senior Care applications, as well as monitoring the backlog of previously pending applications throughout the state. This unit was established to closely track the influx of applications and to provide greater statewide consistency.

- **Clinical Expertise.** With the addition of Registered Nurses in the Adult and Senior Care Program, clinical support (previously utilized through contract staff) can be immediately addressed. With immediate clinical knowledge, skills and experience it has enhanced the program's ability to quickly address quality of care of residents, address poor performing facilities, and educate struggling operators.

- **Readiness to move to Stage I of Increased Frequency of Visits.** Administrative positions established have been critical in preparations to initiate the January 1, 2017 State 1 increase in visit protocol. The establishment of the Southern California training unit and expansion of the LPA academy is meant to ensure that staff have the knowledge, skills and competencies in advance of January 1, 2017 implementation date.

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

Questions.

1. Please provide a brief overview of CCL's program and budget.

2. When can the Legislature expect to see a report on whether the KIT has been successful and accurate in identifying compliance?

Issue 12: Budget Change Proposal: CCL Random Inspections (Technical Fix)

Governor's Proposal. The Administration requests resources to perform annual random inspections required by the Human Services Omnibus Trailer Bill, Senate Bill (SB) 79 (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 Budget Change Proposal (BCP).

Background. SB 79 increased DSS's inspection protocol to conduct annual random inspections of 30 percent of licensed facilities, with all licensed facilities inspected no less than at least once every three years. The FY 2015-16 BCP included resources for the improvement of the regulatory oversight of Community Care Licensing facilities throughout the state, but inadvertently omitted the staffing resources necessary to perform the annual random inspections required.

Staff Comment and Recommendation. Hold open. No concerns have been raised to subcommittee staff at this time.

Questions.

1. Please summarize the proposal.

Issue 13: Budget Change Proposal: Caregiver Background Check: Arrest Only Workload

Governor's Proposal. The Administration requests $892,000 ($816,000 GF) for 5.0 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.

Background. California Criminal History and Federal Bureau of Investigation checks are required for licensed caregivers, their employees, specified volunteers and non-client adults residing in a facility. When an individual has a criminal history that contains arrest-only information, DSS is required to conduct an investigation. Assembly Bill 2632 (Chapter 824, Statues of 2014) codified a revised process which prohibits DSS from issuing a criminal record clearance prior to conducting an investigation for cases involving only an arrest.

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.

Staff Comment and Recommendation. Hold open. No concerns have been raised to subcommittee staff at this time.

Questions.

1. Please summarize the proposal.

Issue 14: Budget Change Proposal: Home Care Services Consumer Protection Act (AB 1217)

Governor's Proposal. The Administration requests $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, specifically:

- 1.0 Accounting Administrator I, Specialist
- 1.0 Senior Accounting Officer, Specialist
- 1.0 Account Clerk II
- 0.5 Mailing Machines Operator I
- 2.0 Investigators
- 1.0 Special Investigator Assistant (non-peace officer)
- 1.0 Attorney III

Background. 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 loans for AB 1217 will be repaid with fee revenues from HCOs and HCAs.

Staff Comment and Recommendation. Hold open. No concerns have been raised to subcommittee staff at this time.

Questions.

1. Please summarize the proposal.

2. Please explain the change in projected growth since last year's approved BCP. What information has prompted DSS to revise its estimates?

Issue 15: Budget Change Proposal: Community Care Licensing Complaints and Appeals Process (AB 1387) and Residential Care Facility for the Elderly Ownership Disclosure (AB 1387)

Governor's Proposal. The Administration requests $273,000 General Fund for two positions to meet the requirements of AB 601, 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.

Background. AB 601 (Chapter 628, Statutes of 2015), 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). This will result in an increase in workload to cross-check information with DPH and compile and analyze additional information provided by RCFE applicants. 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 (Chapter 486, Statutes of 2015), restructures the process by which licensees of facilities licensed by DSS may appeal the assessment of a civil penalty or deficiency. The requested funding will support staff who is currently working to develop regulations, update various manuals, 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.

Staff Comment and Recommendation. Hold open. No concerns have been raised to subcommittee staff at this time.

Questions.

1. Please summarize the proposal.

2. Why were the positions for AB 1387 initially approved as two-year limited-term? Please clarify why the workload for these positions has now been extended for another two years.

5180 – DEPARTMENT OF SOCIAL SERVICES – ADULT PROTECTIVE SERVICES (APS)

Issue 16: Overview – Adult Protective Services

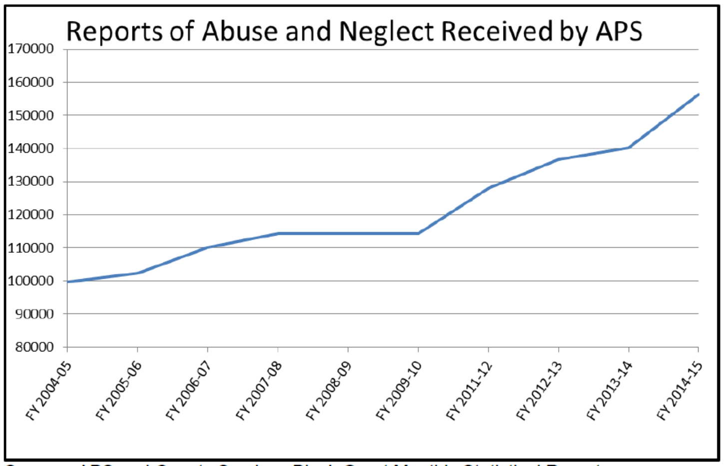
Background. Each of California's 58 counties has an APS agency to help adults aged 65 years and older and dependent adults when adults are unable to meet their needs, or are victims of abuse, neglect, or exploitation. The APS program provides 24/7 emergency response to reports of abuse and neglect of elders and dependent who live in private homes, apartments, hotels or hospitals, and health clinics when the alleged abuser is not at staff member. APS social workers evaluate abuse cases and arranges for services such as advocacy, counseling, money management, out-of-home placement, or conservatorship. APS social workers conduct in-person investigations on complex cases, often coordinating with local law enforcement, and assist elder adults and their families navigate systems such as conservatorships and local aging programs for in-home services. These efforts often enable elder adults and dependent adults to remain safely in their homes and communities, avoiding costly institutional placements, like nursing homes.

Realignment. In 2011, Governor Brown and the Legislature realigned several programs, including child welfare and adult protective services, and shifted program and fiscal responsibility for non-federal costs to California's 58 counties.[7] The Department of Social Services, (DSS) retains program oversight and regulatory and policy making responsibilities for the program, including statewide training of APS workers to ensure consistency. DSS also serves as the agency for federal funding and administration.

Training. Currently, $176,000 ($88,000 General Fund) is allocated to DSS for statewide Adult Protective Services (APS) training. Funding for statewide APS training has not increased in the past 11 years, even as APS reports statewide have risen by 90 percent between 2000-01 and 2014-15.

The chart below shows the upward trend of reports of abuse and neglect received by APS:

[7] AB 118, (Budget Committee), Chapter 40, Statutes of 2011, and AB 16 x 1 (Budget Committee), Chapter 13, Statutes of 2011, First Extraordinary Session, realigns funding for Adoption Services, Foster Care, Child Welfare Services, and Adult Protective Services, and programs from the state to local governments and redirects specified tax revenues to fund this effort.



Source: APS and County Services Block Grant Monthly Statistical Report.

The 2014 Budget Act included $150,000 in funding for one staffing position within the Department of Social Services to assist with APS coordination and training. In 2015, trailer bill language was adopted that codified that the responsibilities of this staff person include engagement with county APS and other elder and dependent adult justice stakeholders to develop policies and guidelines that support local APS programs in meeting existing mandates, respond to opportunities to build APS infrastructure and expand resources and promote optimal outcomes for seniors and dependent adults.

Staff Comment and Recommendation. No action required. Item included for information and discussion purposes.

Questions.

1. Please briefly summarize the program and services.

Issue 17: Proposal for Investment

The subcommittee has received the following proposal for investment.

- Adult Protective Services Training Dollars

Budget Issue. The California Commission on Aging, California Justice Coalition, and California Welfare Directors Association request an increase of $5 million General Fund to create a statewide Adult Protective Services (APS) training program for all new APS staff, for supervisor training, and for advance training related to new policy and emerging trends. Advocates note that the level of funding would ensure access to mandated training for mandated reporters, such as physicians and public safety personnel, and training coordination with public guardians, conservators, and administrators.

Background. DSS currently contracts with local universities to deliver training. Currently, $176,000 ($88,000 General Fund) is allocated to DSS for statewide APS training. According to the California Welfare Directors Association, APS funding levels have not been increased for the past 11 years, despite APS caseload increasing by 35 percent between 2001 and 2013 throughout California.

Staff Comment and Recommendation. Hold open.

5180 – DEPARTMENT OF SOCIAL SERVICES – OTHER SPRING FINANCE LETTERS

Issue 18: Spring Finance Letter: Transfer of Commodity Supplemental Food Program

Governor's Proposal. The Administration requests the transfer of one permanent Associate Governmental Program Analyst (AGPA) 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.

Background. The CSFP is a United States Department of Agriculture (USDA) program currently administered by CDE through six local food banks. The program was originally designed to improve the health of low-income seniors, women, infants, and children by supplementing their diets with USDA approved foods.

In February 2014, the Agricultural Act of 2014, known as the Farm Bill, was signed into law and amended eligibility requirements of the CSFP. Due to this amendment, state and local agencies began phasing out the participation of women, infants, and children in the CSFP and transitioning it to a low-income, seniors only program. As a result, 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 (TEFAP), 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.

Staff Comment and Recommendation. Hold open. No concerns have been raised to subcommittee staff at this time.

Questions.

1. Please summarize the proposal.

Issue 19: Spring Finance Letter: Title IV-E California Well-Being Project Budget Bill Language

Governor's Proposal. 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 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."

Staff Comment and Recommendation. Hold open. No concerns have to been raised to subcommittee staff at this time.

Questions.

1. Please summarize the proposal.

2. Please provide additional detail as to why this budget bill language is necessary.

0530 – HEALTH AND HUMAN SERVICES AGENCY, OFFICE OF SYSTEMS INTEGRATION
5180 – DEPARTMENT OF SOCIAL SERVICES – AUTOMATION

Issue 1: Budget Change Proposal: Case Management, Information and Payrolling System (CMPIS II)

Governor's Proposal. The Administration requests a budget year increase of $4.8 million in the OSI spending authority and one permanent position for the CMIPS II project and a corresponding increase of $8.7 million in DSS Local Assistance budget authority. $4.8 million is requested for staffing and annual base operations costs to address workload increases, and $3.9 million is requested to fund data center services.

Background. CMIPS II project costs have increased substantially in the current year due to schedule shifts, a delay in implementing changes related to the Federal Fair Labor Standards Act and workload increases in base operational costs. The CMIPS II project is transitioning into the M&O phase, which will require the procurement of a new systems integrator and begin a new phase that requires the support of experienced counsel. This BCP requests resources to establish an Attorney II position and the corresponding Operating Expense and Equipment (OE&E) for this position. OSI does not currently have sufficient legal resources to meet increased demand. $4.6 million of this proposal is needed for adjustments to prime vendor services, and $3.9 million is needed for data center services to support increased capacity requirements, IHSS caseload growth, and the impact from current legislative changes.

Staff Comment and Recommendation. Hold open.

Questions.

1. Please summarize the proposal.

2. Please provide more information on what the adjustments to prime vendor services costs are.

Issue 2: Spring Finance Letter: County Expense Claim Reporting Information System (CECRIS)

Governor's Proposal. 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 of a Senior Information Systems Analyst that was approved in a 2014-15 BCP for CECRIS.

Background. The CECRIS will also allow the Department to capture all county level expenditures (state, federal, and county funds) in a single system which will result in improved data reporting capabilities.

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. Below are two charts provided by the department that show how the SPRs for CECRIS have changed.

Major Milestones	SPR 1 Completion Dates	SPR 2 Completion Dates	Months Extended
Project Management Plans Updated	10/2014	4/18/2016	18
Implementation Advanced Planning Document Approval	None	5/2016	N/A
Procurement – Solution Vendor (SV)	10/2014	9/2016	23
To-Be End-To-End Process Analysis/Requirements	10/2014	10/2016	24
System Design	5/2015	4/2017	23
System Development	12/2015	3/2018	27
Testing (Integration & User Acceptance)[1]	9/2016	8/2018	23
Rollout	11/2016	1/2019	26
Project Close Out Artifacts	1/12/2017	3/21/2019	26
Post Implementation Evaluation Report	5/2017	6/2020	37

[1] Security functionalities will be tested and validated by CDSS staff or a non-SI vendor.

Cost	SPR 1	SPR 2 Current
Procurement Method	RFP	MSA / RFO
Solution Vendor	$3,570,400	$2,345,600
Solution Vendor Contingency		$231,840
OCM	$0	$427,800
Financial Systems Auditor	$0	$455,800
IPOC	0	$422,100
IV&V	$312,000	$453,250
Other Contracts	$679,190	$529,028
Software/Licenses	$0	(one-time) $292,094 (continuing) $129,708
Hardware	$0	$9,910
BCP Staff and Overhead	$0	$1,394,000
"new" Funding	$4,561,590	$6,691,130
Existing Staff and Overhead	$3,179,004	$3,891,963
TOTAL PROJECT COST	$7,740,594	$10,583,093

The department notes that these workloads are critical to the successful development and implementation of CECRIS that supports $14 billion in assistance and administrative costs for 58 counties.

Staff Comment and Recommendation. Hold open. No concerns have been raised to subcommittee staff at this time.

Questions.

1. Please summarize the proposal.

4170 DEPARTMENT OF AGING (CDA)

Issue 1: Overview

With a proposed 2016-17 budget of $201.6 million ($33.7 million General Fund), the California Department of Aging (CDA) administers community-based programs that serve older adults, adults with disabilities, family caregivers, and residents in long-term care facilities throughout the State. The department is the federally-designated State Unit on Aging, and administers funds allocated under the federal Older Americans Act, the Older Californians Act, and through the Medi-Cal program.

Area Agencies on Aging. CDA contracts with a statewide network of 33 Area Agencies on Aging (AAAs), which directly manage federal and state-funded services to help older adults find employment, support older adults and individuals with disabilities to live as independently as possible in the community, promote healthy aging and community involvement, and assist family members in their caregiving. Each AAA provides services in one of the 33 designated Planning and Service Areas (PSAs), which are service regions consisting of one or more counties and the City of Los Angeles. Examples of AAA services include: supportive and care management services; in-home services; congregate and home delivered meals; legal services; Long-Term Care Ombudsman services; and elder abuse prevention.

CDA also contracts directly with agencies that operate the Multipurpose Senior Services Program (MSSP) through the Medi-Cal home and community-based waiver for the elderly, and certifies Community Based Adult Services (CBAS) centers for the Medi-Cal program.

Overview of Programs.

Senior Nutrition. Provides nutritionally-balanced meals, nutrition education and nutrition counseling to individuals 60 years of age or older at congregate meal sites or for those who are homebound due to illness, disability or isolation, at home.

Supportive Services. Provides assistance to older individuals to help them live as independently as possible and access services available to them. Services include: information and assistance, transportation services, senior centers, in-home and case management and legal services for frail older persons.

Senior Legal Services. Assess legal servicesneeds and assists older adults with disabilities in their community with a variety of legal problems. This is a priority service under Title IIIB and each AAA must include it as one of their funded programs. There are 39 Legal Services projects in California.

Family Caregiver Support. Provides support to unpaid family caregivers of older adults and grandparents (or other older relatives) with primary caregiving responsibilities.

Ombudsman and Elder Abuse Prevention. Investigates and resolves community complaints made by, or on behalf of, individual residents in long-term care facilities.

Health Insurance Counseling and Advocacy (HICAP). Provides personalized counseling, outreach and community education to Medicare beneficiaries about their health and long-term care (LTC) coverage options.

Senior Community Employment. Provides part-time, subsidized work-based training and employment in community service agencies for low-income persons, 55 years of age and older, who have limited employment prospects.

Funding. Between July 2007 and June 2012, the CDA budget was reduced by approximately $30.1 million in General Fund. This includes the elimination of state funding for Community-Based Services, Supportive Services, Ombudsman and Elder Abuse Prevention, Senior Community Employment, and a reduction in MSSP funding. Below is a historical recap of budget changes:

- Senior Community Employment. All General Fund for the Senior Community Employment Program (SCSEP) was eliminated in FY 2008-09. Since that time the program has been funded solely by the federal government. In FY 2011-12, SCSEP suffered a 25 percent cut in its Department of Labor baseline funding, a loss of approximately $2.6 million.

- Sequestration - Federal Fiscal Year (FFY) 2013 and ongoing. CDA lost approximately $9.8 million in federal funding in FFY 2013 for its senior programs due to the federal sequestration. The Nutrition sequestration reduction was partially offset in FY 2013-14 and FY 2014-15 with $2.7 million received from the Assembly Speaker's Office. In 2014, Nutrition federal funding was restored to the 2012 funding levels. Sequestration cuts have continued for Supportive Services, Preventive Health, Family Caregiver, Ombudsman, and Elder Abuse Prevention in the FFYs 2014 and 2015.

- Ombudsman Funding Changes. All General Fund local assistance funding for the Ombudsman program was eliminated during FY 2008-09. Between FY 2009-10 and FY 2011-12, several one-time appropriations and funding solutions were utilized to partially backfill lost General Fund and federal Citation Penalties Account monies. In 2012-13 and 2013-14, the implementation of federal sequestration reduced federal Ombudsman funding by about $0.2 million. Local Assistance funding for Ombudsman, currently amounts $6.3 million includes federal and state funds from the Skilled Nursing Facility Quality Assurance Fund and the state Citation Penalties Account funds. According to the department, this is $2.3 million lower than the 2008-09 funding level.

- General Fund. Between FY 2007-08 and FY 2011-12, the department's budget was reduced by approximately $30.1 million General Fund. This includes reduced state local assistance funding for Community Based Services, Supportive Services, Ombudsman and Elder Abuse Prevention, Senior Community Employment, and a reduction in MSSP funding. Please see the chart on the following page.

Current Competitive Federal Demonstration Grants. CDA has been awarded several competitive federal demonstration grants, including:

- Chronic Disease Self-Management Demonstration Grant. Through this competitive federal grant, CDA has collaborated with CDPH and Partners in Care Foundation to make the Chronic Disease Self-Management Program available to older and younger adults with chronic health conditions. This six week evidence-based workshop empowers participants to make important behavioral changes to improve their health and wellbeing. Area Agencies on Aging and health departments in Los Angeles, Orange, Napa, San Diego, and Solano counties are among the funded counties. The total grant funding was $1.5 million over four state fiscal years. California has led the nation in this effort with 1,277 workshops conducted and 16,221 adults with chronic health conditions benefiting from these programs.

- Expanding Capacity to Serve Persons with Dementia in the Coordinated Care Initiative. Through this federal grant, CDA has partnered with the Department of Health Care Services, Alzheimers/Greater LA and the Alzheimer's Association Chapter in Northern California, and participating managed care plans to provide training and technical assistance to Cal MediConnect care managers focused on increasing their ability to successfully identify and serve plan members with dementia and refer these individuals and family caregivers to community-based services. Total grant funding was $820,000 over 4 state fiscal years. While the grant officially ends August 31, 2016, the department has met and exceeded all of the performance measures with over 260 care managers from seven health plans trained and 500 family caregivers receiving dementia education and support.

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

Questions.

1. Please provide an overview of the department’s programs and services.

Issue 2. Multi-Purpose Senior Services Program (MSSP) - Update

Background. MSSP provides social and health case management services for frail, elderly clients who wish to remain in their own homes and communities. Clients must be aged 65 or older, eligible for Medi-Cal, and certified (or certifiable) as eligible to enter into a nursing home. Teams of health and social service professionals assess each client to determine needed services, and work with the clients, their physicians, families, and others to develop an individualized care plan. Services provided with MSSP funds include: care management; adult social day care; housing assistance; in-home chore and personal care services; respite services; transportation services; protective services; meal services; and, special communication assistance.

CDA currently oversees operation of the MSSP program statewide and contracts with local entities that directly provide MSSP services to around 12,000 individuals. The program operates under a federal Medicaid Home and Community-Based, Long-Term Care Services waiver.

MSSP as Part of the Coordinated Care Initiative. Under California's Coordinated Care Initiative (CCI), most Medi-Cal beneficiaries in CCI counties must be enrolled in a participating Medi-Cal managed care health plan to receive their Medi-Cal benefits, including MSSP. This requirement applies unless the individual lives outside the managed care health plan's covered service area, is awaiting enrollment into a managed care health plan, or is exempt from managed care health plan enrollment. MSSP sites that provide concurrent waiver services in a CCI county have entered into agreements with participating managed care health plans to deliver MSSP waiver services to eligible plan members. MSSP sites serving non-CCI counties continue to deliver MSSP services as a Medi-Cal fee-for-service benefit.

In the CCI counties (Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo and Santa Clara), MSSP continues to be a 1915(c) HCBS waiver benefit until it transitions to being a fully integrated managed care health plan benefit that is administered and authorized by the plan. In San Mateo County, this transition occurred on October 31, 2015. In the remaining six CCI counties, this transition must occur no later than December 31, 2017. Full transition of MSSP into managed care in the remaining six CCI counties will affect 12 MSSP sites and approximately 4,856 participants.

CDA is working closely with the Department of Health Care Services (DHCS), MSSP sites, and Medi-Cal managed care health plans to address operational issues associated with providing MSSP waiver services through managed care and prepare for MSSP's transition to a fully integrated managed care plan benefit in CCI counties.

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

Questions.

1. Please provide a brief overview of the MSSP program.

Issue 3: Budget Change Proposal: CBAS Additional Staffing for Mandate Compliance

Governor's Proposal. The Administration requests $705,000 ($319,000 General Fund and $386,000 in Reimbursements from the Department of Health Care Services (DHCS)) for its CBAS Branch to support four additional positions (three Associate Governmental Program Analysts (AGPA) and one Nurse Evaluator II (NE II)) to ensure compliance with current state Medi-Cal program requirements for CBAS provider certification, as well as new federal requirements under California's 1115 Bridge to Reform (BTR) Waiver, the Affordable Care Act (ACA), and the Home and Community-Based Services (HCBS) Settings Rule.

Background. The CBAS program provides skilled nursing care, social services, therapies, personal care, meals, and transportation at outpatient facilities to eligible seniors and adults with disabilities under the BTR waiver. Currently, there are 241 CBAS centers statewide serving approximately 32,000 Medi-Cal participants.

The department notes that since the Adult Day Health Care Program transitioned to the CBAS Program three years ago, the CBAS branch has been unable to fully meet its statutory mandate to perform provider onsite certification renewal surveys every two years. Staffing reductions in FY 2012-13, coupled with the fact that projected significant decreases in the program size did not occur, and added federal requirements, have left the CBAS branch with a backlog and is potentially at risk for federal sanctions.

Staff Comment. No concerns have been raised to subcommittee staff at this time.

Questions.

1. Please summarize the proposal

2. Please provide more specific information on the backlog/developing backlog.

Staff Recommendation. Approve.

Issue 4: Budget Change Proposal: CDA Information Technology Branch Staffing

Governor's Proposal. The Administration requests authority for three permanent positions, using $423,000 in existing expenditure authority for its Information Technology Branch. This request will be funded using a combination of existing CDA funding sources including Older Americans Act federal funds and Medi-Cal (General Fund and FFP).

FUND SOURCES	
GENERAL FUND	$154,000.00
FEDERAL FUND (OAA)	$102,000.00
REIMBURSEMENT FROM MEDI-CAL (FFP)	$149,000.00
REIMBURSEMENT FROM OTHER PROGRAMS	$14,000.00
SPECIAL FUNDS	$4,000.00
TOTAL	**$423,000.00**

The department notes that its IT Branch has been minimally staffed over the years and has never been augmented to keep up with workload associated with major technological changes, especially in the area of security-related requirements and reporting to control agencies. At the same time, budget cuts have resulted in the loss of IT resources and positions.

Background. CDA administers funds allocated under the federal Older Americans Act and the Older Californians Act and through the Medi-Cal program. CDA contracts with a statewide network of 33 Area Agencies on Aging, who directly manage a wide array of federal and state-funded services and supports for older and disabled individuals. Through an interagency agreement with the Department of Health Care Services (DHCS), CDA also administers the Multipurpose Senior Services Program (MSSP) and certified Adult Day Health Care (ADHC) centers as Medi-Cal Community-Based Adult Services Program (CBAS) providers. All of these programs, and particularly CBAS, require the services of a fully functioning IT branch, and new federal requirements relating to the Affordable Care Act (ACA) Provider Enrollment Screening, the CMS Home and Community-Based Settings (HCBS) Regulations, and the updated 1115 Waiver, will significantly increase the need for IT support in the Medi-Cal Branch.

At CDA, seven IT Branch staff provides the full range of services to 117 CDA staff. Departments of comparable size have approximately 15 positions.

Staff Comment. No concerns have been raised to subcommittee staff at this time.

Questions.

1. Please summarize the proposal.

Staff Recommendation. Approve.

Issue 5: Proposals for Investment

The subcommittee has received the following aging-related proposals for investment.

- Elder Economic Security Index

Budget Issue. The California Association of Area Agencies on Aging (C4A) requests $50,000 to update the Elder Index.

Background. The Elder Index was established in California state law in AB 138 (Beall, Chapter 669, Statutes of 2011) which requires CDA to use the Elder Index for each service area in its state plan and use it as a reference when making decisions about allocating its existing resources. While the development phase of the Elder Index is now complete, there is no funding for the annual updating of the amounts by county to fulfill the needs of CDA.

Staff Comment and Recommendation. Hold open.

- MSSP Rates

Budget Issue. The MSSP Site Association requests a rate increase of $4 million General Fund. When matched with federal funds, the per-slot rate would increase from $4,285 to $5,142 per year.

Background. The MSSP is a complex case management program for Medi-Cal seniors 65 and older who are certified eligible for skilled nursing placement and require specialized medical and social support services. In its over 30 years, MSSP has received just two cost-of-living adjustments (in 2000 and 2006) followed by funding cuts in 2008 and 2011 due to state budget deficits. MSSP providers cannot make up for program deficits by increasing or decreasing the number of people they serve, reducing program costs, or serving private pay consumers. Advocates cite the closure and turnover of nine sites since 2008 due to funding cuts. Additionally, the costs to do business have increased each year, further making the current rate inadequate.

Staff Comment and Recommendation. Hold open.

- Long-Term Care Ombudsman Funding

Budget Issue. The California Long-Term Care Ombudsman Association (CLTCOA) requests $3.6 million General Fund. This additional funding will enable the program to conduct unannounced monitoring visits to all long-term care facilities in California; recruit, supervise, and train volunteer Ombudsmen; and investigate more complaints per year.

Background. LTCOP is mandated through state and federal law to protect residents' rights and ensure that residents are treated with respect and dignity. Complaints identified by Ombudsmen are often the precursors to more severe cases of abuse and neglect. LTCOPs use certified volunteers in addition to paid staff. In 2008, $3.8 million in General Fund was eliminated for local LTCOPs. Since the cuts to their budget, the local LTCOPs have had to reduce operating hours, scale back services, and greatly reduce the number of long-term care facilities visited. There were 5,206 facilities in California that did not receive regular quarterly visits from an ombudsman in 2014-15.

Staff Comment and Recommendation. Hold open.

- Senior Nutrition Program

Budget Issue. The California Commission on Aging, the California Association of Area Agencies on Aging, and the Congress of California Seniors request $5.4 million General Fund to augment existing senior nutrition programs. Area Agencies on Aging operate these programs, including Congregate Mealsites and Home-delivered Meals (known as Meals on Wheels).

Staff Comment and Recommendation. Hold open.

- California Senior Legislature

Budget Issue. The California Senior Legislature (CSL) requests $500,000 General Fund to continue its advocacy efforts for seniors.

Background. The CSL was founded in 1980 as a forum for older Californians to develop legislative priorities. Senior representatives are selected from each of the 33 Area Agencies on Aging, and they hold a model legislative session where the top-ten state proposals and top four federal priorities are taken to state and federal legislators.

The CSL is funded through a tax check-off. However, due to issues such as the recession, contributions have been reduced considerably. The 2016-17 Governor's budget assumes that the current fund will yield $320,000 and that this will fund the 1.2 positions provided to the CSL.

Staff Comment and Recommendation. Hold open.

Additionally, advocates have indicated that the following proposal should be considered:

- Include $4 million General Fund for Alzheimer's Day Care Resource Centers

4700 Community Services and Development (CSD)

Issue 1: Overview

The Department of Community Services and Development (CSD) partners with a statewide network of private, non-profit and public community-based organizations commonly referred to as community Action Agencies or Local Service Providers dedicated to helping low-income families and individuals achieve and maintain self-sufficiency, manage their home energy needs and reside in housing free from the dangers of lead hazards.

Below is a summary of the Governor's proposed funding for FY 2015-16 and FY 2016-17:

Fund Code	Fund	Actual 2014-15*	Estimated 2015-16*	Proposed 2016-17*
0001	**General Fund** - *DEAP*	$ -	$7,500	$7,500
0890	**Federal Trust Fund** - *LIHEAP, CSBG, DOE, LEAD*	239,856	252,153	252,412
0995	**Reimbursements** - *TRP*	-	6,000	-
3228	**Greenhouse Gas Reduction Fund** - *LIWP*	39,170	114,604	75,339
Total Expenditures (All Funds)		**$279,026**	**$380,257**	**$335,251**

CSD's programs include:

- Community Services Block Grant (HHS- CSBG). CSBG is an annual federal grant that provides or supports a variety of local services to alleviate the causes and conditions of poverty with the goal of helping people achieve self-sufficiency. Examples of CSBG supported services and activities include local programs to address employment, education, asset building, housing and shelter, nutrition and emergency services.

- Low-Income Home Energy Assistance Program (HHS -LIHEAP). LIHEAP is an annual federal grant that provides financial assistance to offset the costs of heating/cooling residential dwellings, for energy-related emergencies, and weatherization services to improve the energy-efficiency of homes.

- U.S. Department of Energy Weatherization Assistance Program (DOE-WAP). WAP is an annual federal grant that provides weatherization services to eligible low-income individuals to improve the energy-efficiency of low-income homes and safeguard the health and safety of occupants

- Lead-Based Paint Hazard Control Program (HUD-Lead). LEAD is a competitive federal grant that provides for the remediation of lead-based paint in low-income homes with young children.

- Low-Income Weatherization Program (LIWP). LIWP is funded by state cap-and-trade auction proceeds to provide energy efficiency and renewable energy services such as solar photovoltaic systems. These services are provided to low-income single-family and multi-family dwellings within disadvantaged communities to help reduce greenhouse gas emissions and save energy.

- Drought Emergency Assistance Program (DEAP). DEAP is funded by state general funds and provides supportive services and emergency assistance for low-income workers in agriculture and ancillary industries who have suffered job losses related to the state's drought. DEAP supports a broad range of supportive services in over 24 highly drought impacted counties, including housing assistance, food, transportation, and employment services.

Staff Comment and Recommendation. This item is informational only and no action is required.

Questions.

1. Please provide an overview of the department, programs, and current funding levels.

Issue 2: Budget Change Proposal: MSFW Drought Emergency Assistance Program

Governor's Proposal. The Administration requests $7.5 million General Fund in FY 2016-17 to continue emergency supportive services to vulnerable, low-income populations, including migrant and seasonal farmworkers (MSFW) and individuals experiencing employment impacts due to the drought.

Background. California is in its fourth year of drought. Impacts are far reaching with the most severe impacts affecting water availability, agriculture production, and employment. The Budget Act of 2015 appropriated $7.5 million in General Fund to CSD to augment existing Community Services Block Grant (CSBG) funding to provide emergency supportive services to MSFWs and individuals experiencing employment impacts due to the drought disaster. CSD used these funds to implement Drought Emergency Assistance Program (DEAP), offering support services to low-income workers in agriculture and ancillary industries and their families at or below 100 percent of the Federal Poverty Level. DEAP funds are locally administered by four MSFW nonprofit agencies in 24 of the most drought impacted counties, and provide assistance with rent/mortgage payments, utility assistance, transportation, child care, food, and medical care. DEAP also coordinates with other drought programs, including the Temporary Jobs Program which is administered by the Employment Development Department, and the Drought Food Assistance Program administered by the Department of Social Services.

The department anticipates delivering services to approximately 3,200 low-income MSFW households by the end of the contract term with an average benefit of $2,000 per household.

Staff Comment. Impacts of the drought continue to have negative and far reaching consequences, particularly for the vulnerable, low-income populations, such as the migrant and seasonal farmworkers identified in this proposal. Given that the need is still high, staff recommends approval of this proposal.

Questions.

1. Please provide an overview of the proposal.

Staff Recommendation. Approve.

Issue 3: Budget Change Proposal: Low-Income Weatherization Program (LIWP)

Governor's Proposal. The Administration requests $75 million from the Greenhouse Gas Reduction Fund (GGRF) in FY 2016-17 to support the expansion of existing weatherization and solar programs that improve energy efficiency performance of low-income residential dwellings. These funds will be used for weatherization measures, including the installation of photovoltaic systems, insulation, weather-stripping, caulking, water heater blankets, fixing or replacing windows, refrigerator replacement, energy efficient-lighting upgrades, electric and gas water heater repair/replacement, low flow water devices, and heating and cooling system repair/replacement.

Background. Implementation of the California Global Warming Solutions Act of 2006 (Nunez and Pavley, Chapter 488, Statutes of 2006) includes measures to achieve real and quantifiable cost-effective reductions of greenhouse gas (GHG) emissions. The Air Resources Board (ARB) has developed a market-based Cap-and-Trade Program as a key element of its GHG reduction strategy, where there is a system of tradable permits to emit GHGs, and the market allows exchange of these allowances. A portion of the allowances are sold at auction, with the proceeds deposited in the GGRF has been established for the purpose of funding measures that allow California to achieve its GHG reduction goals.

CSD received $75 million in FY 2014-15 and $74.8 million in FY 2015-16 from the GGRF to fund LIWP to provide residential energy efficiency and solar renewable projects on low-income housing located within disadvantaged communities. CSD traditionally uses its federal funding received for the Low-Income Home Energy Assistance Program (LIHEAP) and the Department of Energy Weatherization Assistance Program to install weatherization measures; however, the department has recognized the increased benefits of installing other clean and renewable energy technologies, such as solar technology.

CSD has received the following Green House Gas Reduction Fund funding for LIWP:

2014-15 Budget Act	$75 million
2015-16 Budget Act	$4.7 million
SB 101 (Amending the 2015-16 Budget Act)	$70.1 million

The department estimates that there are approximately 1.7 million low-income households that reside in disadvantaged communities. CSD plans to serve approximately 14,000 low-income households.

Staff Comment and Recommendation. Hold open.

Questions.

1. Please provide an overview of the proposal.

2. Please provide a summary of how the $75 million is expected to be used in FY 2016-17.

Issue 4: Budget Change Proposal: Community Services Block Grant Performance Management and Accountability System

Governor's Proposal. The Administration requests position authority for five permanent positions to perform newly required federal mandates, including monitoring of all Community Service Block Grant (CSBG) eligible entities. The department notes this proposal does not require any additional spending authority, and will be funded from CSBG federal funds.

Background. CSBG funding supports projects that lessen poverty in communities, address the needs of low-income individuals, including the homeless, migrant and seasonal farmworkers, youth, and the elderly populations of California, as well as provide services and activities addressing employment, education, financial management of the household, housing, nutrition, emergency services, and/or health.

In response to a federal fiscal year (FFY) 2014 funding proposal from the President, recommending a 50 percent reduction in the allocation of CSBG funding and direction to use the remaining federal funds for a more competitive allocation system to target the highest-performing local assistance agencies, the Federal Administration for Children and Families, Office of Community Services (OCS) has created multiple measuring guidelines, and called for greater accountability and measurable results and will implement these new requirements effective FFY 2016. These requirements include more reporting and monitoring of program efficiency and effectiveness. While CSD is currently required to conduct an onsite monitoring visit of CSBG eligible entities once every three years, annual visits are now required. In particular, the Fields Operations Unit (FOU) will need more staffing to accomplish this.

Additionally, in 2014, CSD contracted with Innovative Government (IG) to conduct a business process analysis of the FOU and identify process refinements to optimize operating efficiency. The IG's conclusion revealed FOU's eligible entity per analyst caseload ratio of 15:1 was the highest of the six states contacted during the assessment process. IG's recommendation to CSD was to reduce its caseload ratio to 9:1.

The department notes that these new resources would allow CSD to be in compliance with federal performance standards. The workload increase cannot be absorbed by existing staff, and noncompliance could result in loss of CSBG funds.

Staff Comment and Recommendation. Approve.

Questions.

1. Please provide an overview of the proposal.