



California Department of Social Services

2009-10 Budget Facts

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CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
BUDGET FACTS – ENACTED BUDGET
FISCAL YEAR 2009-2010

The California Department of Social Services (CDSS) provides aid, service and protection to children and adults in need of assistance. CDSS programs are aimed at promoting the well-being of children, strengthening families and helping adults and parents achieve their potential for economic self-sufficiency and independence.

The 2009-10 enacted budget includes \$21.2 billion (\$8.4 billion General Fund) for CDSS, a decrease of \$1 billion General Fund from the Budget Act of 2008.

The 2009-10 enacted budget includes a number of reforms in the CalWORKs and IHSS program.

CalWORKs

- The federal government requires that 50 percent of eligible recipients meet work requirements. Currently, only 22 percent of CalWORKs eligible recipients are meeting federal work requirements.
- The new changes, effective July 1, 2011, will encourage Californians to find work and get back on their feet sooner through increased sanctions on families not participating in work or work-related activities.
- Adults not meeting work requirements would be subject to a series of graduated sanctions to get the family back on track.
- Families not fully meeting work requirements will be required to attend a face-to-face self-sufficiency review every six months with a county worker.
- Time limits would also change.

IHSS

- Over the past few years, several Grand Jury investigations in Sacramento, Los Angeles, San Diego, Ventura, Contra Costa and San Luis Obispo found egregious cases of IHSS abuse.
- The 2009-10 enacted budget includes a strong anti-fraud initiative:
 - Fingerprinting all providers
 - Conducting unannounced home visits
 - Utilizing face-to-face provider enrollment
 - Increasing timecard accountability (require signature under penalty of perjury)
 - Requiring all recipients to complete fingerprint imaging to eliminate duplicate aid claims

Budget balancing reductions occurred in all major programs within CDSS, including: California Work Opportunities and Responsibility to Kids (CalWORKs), In-Home

Supportive Services (IHSS), Child Welfare Services, Supplemental Security Income/State Supplementary Payment (SSI/SSP), and Community Care Licensing.

Those reductions are explained in separate cover.

Additional Reductions

- Eliminates automatic cost of living adjustments (COLA) for CalWORKs and SSI/SSP grants.
- 2009-10 enacted budget retains the Cash Assistance Program for Immigrants (CAPI) and the California Food Assistance Program. Effective November 1, 2009, CAPI individual's grants are reduced by \$5 a month, as well as CAPI couples' grants reduced to the federal minimum. General Fund savings for this reduction of approximately \$700,000.
- Ties the Adoption Assistance Program (AAP) benefit level to need for savings of \$900,000 General Fund. Currently, AAP rates are determined based on age and the special needs of the child.
- The Transitional Housing Program-Plus (THP-Plus) received a one-time \$5 million reduction. The THP-Plus is a transitional housing placement for emancipated foster youth ages 18-24 that emancipated from the child welfare system.
- Reduces General Fund support for county Child Welfare Services by \$80 million.
- Reduces General Fund support for the In-Home Supportive Services to waive certain exemptions by \$28.9 million.

CALIFORNIA WORK OPPORTUNITIES AND RESPONSIBILITY TO KIDS (CalWORKs)

- CalWORKs, California's version of the federal Temporary Assistance for Needy Families (TANF) program, provides cash aid and services to help people meet basic needs such as housing and food.
- CalWORKs is intended to provide temporary assistance to help families become self-sufficient. It encourages work for those on aid by providing education, employment training, child care, transportation, work expenses and counseling for families.
- "Work activities" include: unsubsidized and subsidized employment, community service, adult basic education, vocational educational training, job search/job readiness assistance, etc.
- Single-parent families in CalWORKs are required to participate 32 hours per week. Two-parent families are required to participate in work activities 35 hours per week.
- CalWORKs currently serves approximately 1.2 million people (495,798 cases). It is projected that in fiscal year 2009-10, CalWORKs will serve 1.4 million people (573,838 cases).
- California has 12 percent of the nation's population and 30 percent of the nation's Temporary Assistance for Needy Families caseload.
- Approximately 232,000 (47 percent) of CalWORKs cases receive full family grants. This group has been in the CalWORKs program fewer than five years and is following program rules. The maximum grant for a family of three in this group is \$694 per month.
- Approximately 40,000 (8 percent) of CalWORKs cases have been sanctioned for failing to participate in work activities, meaning their grants were reduced. For a typical family of three the maximum grant of \$694 would be reduced by \$139 per month (the adult portion of the grant).
- Approximately 48,000 cases (10 percent) of CalWORKs cases with a work-eligible adult receive a reduced level of assistance known as a "safety net" grant because they have been on aid longer than five years. Currently, a Safety Net family can receive aid for the eligible children until these children reach 18 years of age without having to participate in work activities. For a typical family of three the maximum grant of \$694 would be reduced by \$139 per month (the adult portion of the grant). As of January 2008, California was one of 11 states nationwide to continue to provide aid to children through a "Safety Net" program.

- Approximately 176,000 cases (35 percent) of CalWORKs cases are considered “child-only,” meaning, the family includes a non-eligible adult (undocumented noncitizen, certain felons, SSI/SSP recipients, non-needy caretakers).
- The majority of “child-only” cases are for citizen children of undocumented adults (54 percent), children of non-needy caretakers (22 percent) and children of SSI/SSP recipients (19 percent).

2009-2010 BUDGET INCLUDES:

The budget approves both short- and long-term reforms for the CalWORKs program, specifically:

SHORT TERM

- Counties will have flexibility in crafting employment and supportive services for their CalWORKs clients by utilizing new exemption criteria to waive work requirements for families with young children and by using existing good cause criteria to temporarily exempt clients from participating in welfare-to-work services.
- Under current law, if a county cannot provide a recipient with certain services, they can exempt the recipient from meeting work requirements until the county can provide that service. For example, if your child is placed on a waiting list for child care, you are exempted until the child receives a slot.
- The 2009-10 enacted budget adds an additional exemption not currently in law by allowing counties to exempt parents with children between the ages of 12 months to 24 months from work requirements (under current law, parents with newborns are already exempted). In addition, a parent with two or more children under the age of 6 could be exempted. This exemption becomes inoperative July 1, 2011.
- While exempted, the 60 month time limit on aid does not apply. Meaning, the clock stops.
- Employment and Supportive Services will be focused on those clients meeting state and federal work requirements. For example, a parent with a 5 year-old child going to school part-time and only participating in work activities 25 hours a week may no longer receive child care assistance or transportation vouchers.
- Employment Services includes vocational training, subsidized employment, community service and other supportive services including child care, transportation vouchers, etc.

- The 2009-10 enacted budget also allows counties to re-direct substance abuse and mental health funding toward employment and supportive services.
- \$510 million in savings is associated with these short-term changes.

LONG TERM

- Self-Sufficiency Reviews
 - Given the five-year time limit on aid for the adult in the household, it is critical to ensure families are meeting work requirements and that child-only families are being provided information to help the family reduce their dependency on public assistance.
 - Self-Sufficiency Reviews would focus on families with adults who are not currently meeting work requirements as well as families in the “child-only” category where the adult is not eligible for benefits. California counties would conduct the six-month Self-Sufficiency Reviews.
 - The Self-Sufficiency Reviews, which would start July 1, 2011, will assess what services or resources might be necessary to help adults increase their work participation hours or remove barriers that might prevent them from working and/or participating in work activities. The Reviews will also help child-only families to assess their situation and needs, and identify any resources or services that could help them reduce their dependence on public assistance.
 - Failure to attend the Self-Sufficiency Reviews without good cause would result in a 50 percent reduction in the family’s CalWORKs grant.
 - This is a new requirement and does not have a sunset date.
 - Self-Sufficiency Reviews do not apply to adults fully meeting work requirements.
- CalWORKs Time Limit
 - Mirroring the Temporary Assistance for Needy Families federal law, CalWORKs allows an adult a total maximum time on aid of 60 months (5 years). Effective July 1, 2011, the adult would receive CalWORKs up to 48 (4 years) cumulative months. When/if the adult hits 48 cumulative months, the adult portion of the grant would be eliminated and the children would then go into the “safety net” program for a 12 month “sit out” period. After this 12 month “sit out” period in the safety net, the adult if otherwise eligible, is added back to the family grant for the remaining 12 months for the adult’s 60 month time limit.

- Example: An average family of three (a mom and two children over the age of 6). The mom goes to school part-time and works part-time. She's fully meeting work requirements (more than 32 hours of work or work-related – such as education – activities). She's in the program for 4 years and is not done with school and does not have sufficient income to leave CalWORKs. After 4 years, even though she's meeting work requirements, her portion of the grant is removed for 12 months. She continues to receive the children's grant. After the 12 month "sit out" period, her grant is reinstated. If at end of the adult's 5 years on CalWORKs, she's still not making enough money, the family is moved to the safety net where only the children's portion of the grant is received by the family.
- Graduated Sanctions
 - Sanctions have changed under the 2009-10 budget. Sanction months now count toward the CalWORKs 60 month time limit for cash assistance. Previously, once sanctioned the clock stopped.
 - Sanctions apply to families in regular CalWORKs and families in the Safety Net.
 - Beginning July 1, 2011, if a family is not complying with work requirements and the adult portion of the grant has already been removed from the grant, the families grant would be reduced by an additional 25 percent. If a family remains noncompliant, the sanction would grow to 50 percent of the child-only grant.
 - The sanctions would be imposed by steps:
 - Step 1 – If adult is not meeting work requirements for 3 cumulative months, the adult portion of the grant is removed (\$139 from a total grant of \$694).
 - Step 2 – If adult is not meeting work requirement for an additional 3 cumulative months (6 total months), 25 percent of the child-only grant is removed. For a family of three on CalWORKs, the maximum grant, minus the \$139 adult portion, is \$555 per month. Step 2 would reduce the child-only grant by \$139 for a total grant of \$416.
 - Step 3 – If adult is not meeting work requirements for an additional 3 cumulative months (9 total months), an additional 25 percent (for a total grant reduction of 50 percent) of the child-only grant is removed. The grant would be reduced by \$277 for a total grant of \$278.

- Prior to every reduction on the above 3 step process, the county will do a review of the family's situation to try and remediate any barriers to participation.
- Child Only Cases
 - Sanctions apply to child only cases as well.
 - Currently, cases with children or dependents of undocumented noncitizens, certain felons, SSI/SSP recipients, and non-needy caretakers are eligible for 100 percent of the maximum child-only grant as long as the children are eligible. The 09-10 enacted budget would impose a 60-month time limit on aid for certain child-only cases (felons and undocumented noncitizens only).
 - If after 60 months, the adult chooses not to participate in work activities when services have been offered by the county, then the sanction stages outlined above apply starting in Step 2, immediately. If services are available, and the adult complies with the work requirements, the family is eligible to receive 100 percent of the child-only grant. If no services are available, child-only families will be eligible for 75 percent of the child-only grant after 60 months on aid.

ADDITIONAL REDUCTIONS

- Elimination of the Automatic Maximum Aid Payment Cost of Living Adjustment
 - California law requires an annual Cost of Living Adjustment (COLA) effective July 1 of each year. The COLA is based on the California Necessities Index (CNI) which reflects the weighted average changes for food, clothing, fuel, utilities, rent and transportation for low-income households.

These long-term reforms will lead to savings of \$600 million annually beginning in fiscal year 2011-12.

IN-HOME SUPPORTIVE SERVICES

- In-Home Supportive Services (IHSS) provides in-home assistance to low-income adults who are over 65 years of age, blind or disabled, and to children who are blind or disabled. IHSS providers perform household tasks, personal care services and paramedical services that enable recipients to live independently.
- In fiscal year 09-10 approximately 462,198 individuals are estimated to receive IHSS services, and will be served by 376,308 IHSS providers.
- Nearly 60 percent of IHSS providers are family members of recipients. Providers are paid an hourly wage ranging from \$8 to \$12.35, depending on the county.
- IHSS helps people with tasks in two broad categories, “non-medical” supports and “domestic and related services.”
 - “Non-medical” services include feeding, assisting with walking or moving in the home or to the car, bathing, getting in and out of the shower, hair care, shaving, grooming, bed baths, dressing, medication assistance, toileting, promoting circulation, assistance with oxygen and protective supervision to ensure recipients are not harming themselves.
 - “Domestic and related services” include cleaning, dusting, changing linens, changing light bulbs, taking out garbage, doing laundry, grocery shopping, planning menus, preparing food, setting a table and washing and putting dishes away.
- The base of the IHSS program’s assessment and eligibility process is the Uniform Assessment Process. This process is used by county social workers on all IHSS recipients to determine or annually re-determine an individual’s need for services based on their functioning across a spectrum of average daily activities. Based on that assessment of functioning, services are identified to meet the individuals’ need and authorized hours are provided based on their functional rankings.
- The IHSS program is funded with federal, state and local government resources. Federal Medicaid funds support IHSS with participation of 61 cents per dollar. The remaining costs are split between the state (25 percent) and the counties (14 percent).

2009-2010 BUDGET INCLUDES:

The enacted 09-10 Budget estimates total savings of \$266.5 million General Fund in the IHSS program.

No changes to wage levels are included in the newly enacted 2009-10 Budget. A reduction in state participation in IHSS wages from \$12.10/hr. to \$10.10/hr. that was enacted in February 2009 was enjoined by the U.S. District Court on June 26, 2009. The case is on appeal.

- Administration
 - The enacted budget for 2009-10 reduces funding for administration costs for IHSS public authorities by \$13.3 million. Public Authorities are the employers of IHSS providers for the purposes of collective bargaining over wages, hours, and other terms of employment.

- Eliminate Share-of-Cost Buyout Payment
 - An individual is required to pay a Share of Cost (SOC) if his/her income is in excess of the IHSS benefit level. Other programs also have a SOC (Medi-Cal, SSI/SSP).
 - As an example, prior to the 2009-10 Budget, an IHSS recipient has a SOC of \$500 and a Medi-Cal SOC of \$800. The recipient is only required to pay the lower IHSS SOC of \$500. CDSS “buys-out” the remaining \$300 and sends that amount to DHCS.
 - As of July 1, 2009 an estimated 9,277 IHSS recipients benefit from the IHSS Share of Cost (SOC) Buyout Program.
 - \$41.1 million in savings is associated with this reduction.

COST CONTAINMENT

The following cost containment measures would save \$82.1 million.

- Limit IHSS Participation to Higher Needs Individuals
 - Individuals with a Functional Index congregate score below 1.99 would be ineligible for IHSS services. To determine the Functional Index congregate score, each recipient is given a Functional Index ranking in each of the eleven activities of daily living. A weighted average of these rankings is calculated to determine the Functional Index congregate score.
 - The change affects 36,179 individuals.

- Limit IHSS Domestic & Related Services to Recipients with a Functional Index Rank of 4 and above

- In order for individuals to continue to receive services in the three Activities of Daily Living and related services (housework; shopping and errands; and meal preparation and clean-up), the individual must have a rank of 4 or 5 to receive that specific service. So, if an individual has a 2 rank in housekeeping and a 4 rank in meal preparation and clean-up, the individual would only lose housekeeping services.
- The change affects approximately 97,000 individuals who on average receive 14 hours per month of Domestic and Related services.
- The change would not affect personal care, protective supervision or paramedical services.

Anti-Fraud Initiative

- The 2009-10 enacted budget estimates savings of \$130 million associated with the Anti-Fraud initiative. The Anti-Fraud Initiative will require an investment of \$24.54 million to fund the following components:

New Background Check and Fingerprinting Requirements

- Under the enacted budget for FY 2009-10, recipients of IHSS services will be fingerprinted at assessment using an existing statewide fingerprinting system to ensure that recipients do not receive duplicate aid in more than one county, under more than one name or at multiple addresses.
- Providers of IHSS services will be required to enroll face-to-face with county social workers or with local provider organizations, providing original identification documentation that must be photocopied and retained.
- Current providers, or new providers applying prior to November 1, 2009, will have to pay for fingerprinting and a background check prior to June 30, 2010 as a condition of continued employment. Any individual convicted in the last 10 years of defrauding a government health care or supportive service programs, felony child abuse or felony elder abuse will be excluded from the program.
- After November 1, 2009, potential providers will similarly pay for fingerprinting and a background check as a condition of employment.

Timecard Improvements

- Currently, timecards require only a signature. Under the enacted budget, a signature on a timecard will indicate that civil penalties may apply if the information on the timecard is not true and correct. Effective July 1, 2011,

timesheets will include the index fingerprints of both providers and recipients.

Unannounced Home Visits to Verify Services

- The enacted budget authorizes 78 positions for county staff to make unannounced home visits to recipients to ensure that services are indeed necessary and being provided as intended. Refusal of a provider or recipient to cooperate with state or county staff by allowing entry into a home and answering questions necessary for assessment or evaluation of their case will result in termination of a recipient's participation in the program.

Mandatory Sharing of Information about Evidence of IHSS Fraud

- Under the enacted budget, counties will be authorized to investigate fraud, will be able to coordinate and share data with CDSS and the Department of Health Care Services in those investigations, and a dedicated allocation of \$10 million will be available to county welfare departments and district attorneys to prosecute suspected fraud.

CHILD WELFARE SERVICES

- California provides General Fund support for county-run child welfare programs and responds to approximately 487,000 referrals for child mistreatment each year. Child welfare specialists at the county level respond to reports of possible abuse or neglect, provide prevention and early intervention services, address safety issues, and facilitate access to a broad range of services for families including food, health care, cash assistance and drug treatment.
- At any given time, approximately 75,000 children and youth are in foster care because they have been removed from their homes due to abuse, neglect or living in at-risk environments. Foster care includes placement with family members, foster family homes, foster family agencies, and group homes for those with behavioral or psychological challenges.
- Currently, there are approximately 9,600 children placed in Group Homes, 18,500 in Foster Family Agency placements, 28,200 with family members and 18,800 in foster family homes.
- The majority of foster care providers are family caregivers who receive an average of \$730 per child per month grant.
- The California Department of Social Services (CDSS) is responsible for foster care payments rates for Foster Family Homes, Foster Family Agencies, and Foster Group Homes. These rates provide for the care and supervision needs of children placed in foster care.

2009-2010 BUDGET INCLUDES:

10% Reduction to Foster Group Homes, Foster Family Agencies, Seriously Emotionally Disturbed Children

Definitions

Seriously Emotionally Disturbed Children are minors who have been diagnosed with a mental disorder. Currently, California serves approximately 2,000 seriously emotionally disturbed children in Group Home psychiatric peer group settings.

- The 2009-2010 Budget reduces foster care rates for Group Homes, Foster Family Agencies and Seriously Emotionally Disturbed Children by 10 percent.
- Rates will be reduced from an average of \$5,380 to \$4,842 for Group Homes, from \$1,778 to \$1,600 for Foster Family Agencies, and from \$5,637 to \$5,074 for Seriously Emotionally Disturbed Children.
- \$26.6 million in savings is associated with this reduction.

In January 2008, Group Homes received a 5% increase to wages and benefits for employees. In addition, Foster Family Homes and relatives received a 5% increase in rates.

CASH AID TO THE AGED, BLIND AND DISABLED (SSI/SSP)

- Supplemental Security Income/State Supplementary Payment (SSI/SSP) is a federal/state income program that provides a monthly cash benefit to low-income aged, blind, or disabled individuals or couples.
- SSI is a federally funded benefit, SSP is state-funded and added on to the SSI benefit. The federal Social Security Administration (SSA) administers both SSI and SSP concurrently as one program in local SSA offices throughout California. California is one of 23 states that supplements the SSI payment for the typical aged individual living independently. A total of 45 states provide some type of optional supplement to the SSI payment, but with differing eligibility requirements (e.g., living in care homes, etc.)
- In California, approximately 1.26 million children and adults receive monthly SSI/SSP assistance. Of that, 870,418 (69 percent) are disabled; 366,861 (29 percent) are aged; and 19,921 (2 percent) are blind.
- Recipients of SSI/SSP automatically qualify for Medi-Cal health care coverage, and may also qualify for In-Home Supportive Services.

2009-2010 BUDGET INCLUDES:

Reductions to individuals and couples grants which would become effective November 1, 2009.

- Individuals grant reduction
 - Benefits would be reduced by 0.6 percent bringing benefits down from \$850 per month to \$845, a reduction of \$5 per month.
 - The reduction would affect approximately 1 million individual recipients.
 - \$42 million in savings is associated with this reduction.
- Couples grant reductions
 - Benefits for the typical aged/disabled couple with no other income would be reduced to the minimum allowed under federal law bringing benefits down from \$1,489 per month to \$1,407 – a reduction of \$82 per month. Other couples could receive more depending on the living arrangement.
 - The reduction would affect approximately 245,363 couple members of SSI/SSP.
 - \$67 million in savings is associated with this reduction.

California would still rank as the second highest state in SSP payment standards for an aged or disabled individual or couple.

COMMUNITY CARE LICENSING

- In 1978, licensing responsibilities for all Community Care Facilities (social models/residential settings), were transferred to the new California Department of Social Services (CDSS) from the Department of Health Services.
- The Roles and Responsibilities of Community Care Licensing (CCL) are broken down into 3 main areas. These are:
 - Prevention - reduces the predictable harm to people in care by: screening applicants and pre-licensing visits to inspect physical plant, among others.
 - Compliance – ensures community care facilities operate according to applicable laws and regulations. Compliance is maintained through: Unannounced facility inspections and complaint investigations, among others.
 - Enforcement – corrective action is taken by CCL when a licensee fails to protect the health, safety, and personal rights of individuals in care, or is unwilling or unable to maintain substantial compliance with licensing laws and regulations. Enforcement is maintained through: fines and civil penalties, non-compliance office visits and administrative legal actions.
- CCL licenses child care facilities, children’s residential facilities, adult and elderly facilities, and special agencies (Foster Family Agencies and Adoption Agencies).
- In California, there are approximately 54,000 child care facilities, 4,900 children’s residential facilities, 14,100 adult and elderly facilities, and 600 special agencies.

2009-2010 BUDGET INCLUDES:

- The 2009-10 enacted budget includes a onetime \$5.3 million General Fund reduction and a requirement for the California Department of Education to increase the amount of Child Care Development Block grant funds provided to CCL by \$5.3 million and a 10 percent fee increase in the annual and application fee for all facility categories.
- The fee increase results in a \$2.1 million savings and the combined saving to the General Fund is \$7.4 million.

Application fees are based on the size of the facility and can range from \$60 for a small family child care home to \$10,000 for large residential facilities. With the 10 percent increase, small family child care homes would see their fees increase to \$66 and the large residential facilities will see their fees increase to \$11,000.