

# California State Assembly



## Agenda

### Assembly Budget Subcommittee No. 2 on Human Services

Assemblymember Dr. Corey Jackson, Chair

Wednesday, March 20, 2024

1:30 P.M. – State Capitol, Room 126

(Please note room change)

Items To Be Heard		
Item	Description	Page
5180	Department of Social Services	7
Issues	1. Poverty and Hunger in California Today	7
	2. Impacts of Guaranteed Income and Relationship with Housing Homeless Californians, with Review of Guaranteed Income Pilot Program (GIPP)	16
	3. CalWORKs: Governor's Proposal to Eliminate Family Stabilization Program	23
	4. CalWORKs: Governor's Proposal to Eliminate Subsidized Employment Program	35
	5. CalWORKs: Governor's Proposal to Reduce County Administrative Funding (Single Allocation) and to Eliminate Intensive Case Hours Implementation	39
	6. CalWORKs: Housing and Homelessness in the CalWORKs Population	43
	7. CalWORKs: California's Application to Participate in the Federal Fiscal Responsibility Act (FRA) Pilot	48
	8. CalFresh, Food for All, and Fruit and Vegetable Pilot Updates	53
	9. Emergency Food Bank Funding and Increasing Demand	62
	10. Absence of Rapid Response Funding in Governor's Budget	64

	11. Immigration Services: Governor's Proposal to Eliminate Temporary Protected Status (TPS) Services Program Elimination	67
	12. Immigration Services: Governor's Proposal to Reduce Funding for the California State University Legal Services Program	69
	13. Immigration Services: Oversight of Stop the Hate Funding	71
	14. Related DSS Budget Change Proposals (BCPs) and Trailer Bill Language (TBL)	74

**Public Comment will be taken (in person only) after the completion of Issue 7's panel and discussion, and this Public Comment will be for all subjects covered in the hearing.**

**This will be the only Public Comment period in the hearing  
(no second Public Comment after the conclusion of all panels).**

**Thank you.**

## Panels

### 5180 Department of Social Services (DSS)

#### Issue 1: Poverty and Hunger in California Today

- Monica Saucedo, Senior Policy Fellow, California Budget & Policy Center
- Kim Johnson, Director, California Department of Social Services
- Emily Marshall, Finance Budget Analyst, Department of Finance
- Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

#### Issue 2: Impacts of Guaranteed Income and Relationship with Housing Homeless Californians, with Review of Guaranteed Income Pilot Program (GIPP)

- Kim Johnson, Director, California Department of Social Services
- Dr. Benjamin Henwood, Director, University of Southern California Center for Homelessness, Housing and Health Equity Research
- Dr. Carrie Miller, Senior Manager, Policy Implementation and Alignment Branch, Los Angeles County Chief Executive Office
- Emily Marshall, Finance Budget Analyst, Department of Finance
- Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

#### Issue 3: CalWORKs: Governor's Proposal to Eliminate Family Stabilization Program

- Kim Johnson, Director, California Department of Social Services
- Joy Perrin, Parent Advocate, Student Parents Are Reimagining CalWORKs (SPARC) and CalWORKs Association
- Maria Rodriguez-Lopez, Deputy Director, Case Management Services, Fresno County Department of Social Services
- Rebecca Gonzales, Policy Advocate, Western Center on Law & Poverty
- Barri Dommer, Social Work Supervisor II, Family Stabilization, Santa Cruz County
- Emily Marshall, Finance Budget Analyst, Department of Finance
- Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

#### Issue 4: CalWORKs: Governor's Proposal to Eliminate Subsidized Employment Program

- Kim Johnson, Director, California Department of Social Services
- Lucy Paz Alegria, Parent Leader, Parent Voices San Mateo
- Susie Smith, Deputy Director of Policy, Planning, and Public Affairs, San Francisco County Human Services Agency
- Jennifer Greppi, Director of Parent Policy, Parent Voices California
- Emily Marshall, Finance Budget Analyst, Department of Finance
- Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

**Issue 5: CalWORKs: Governor's Proposal to Reduce County Administrative Funding (Single Allocation) and to Eliminate Intensive Case Hours Implementation**

- Kim Johnson, Director, California Department of Social Services
- Eileen Cubanski, Interim Executive Director, County Welfare Directors Association of California
- Emily Marshall, Finance Budget Analyst, Department of Finance
- Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

**Issue 6: CalWORKs: Housing and Homelessness in the CalWORKs Population**

- Hanna Azemati, Housing and Homelessness Division Deputy Director, California Department of Social Services
- Glenda Brownell, Parent Advocate, Student Parents Are Reimagining CalWORKs (SPARC) and CalWORKs Association
- Nolan Sullivan, Director, Yolo County Health and Human Services Agency
- Kevin Aslanian, Executive Director, Coalition of California Welfare Rights Organizations
- Emily Marshall, Finance Budget Analyst, Department of Finance
- Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

**Issue 7: CalWORKs: California's Application to Participate in the Federal Fiscal Responsibility Act (FRA) Pilot**

- Kim Johnson, Director, California Department of Social Services
- Briana Burks, Parent Leader, Parent Voices Contra Costa County
- Eileen Cubanski, Interim Executive Director, County Welfare Directors Association of California
- Andrew Cheyne, Managing Director of Public Policy, GRACE/End Child Poverty California
- Emily Marshall, Finance Budget Analyst, Department of Finance
- Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

**Public Comment Will Be Taken At This Time For All Agenda Items**

**Issue 8: CalFresh, Food for All, and Fruit and Vegetable Pilot Updates**

- Jennifer Troia, Chief Deputy Director, California Department of Social Services
- Jared Call, Director of Policy, Nourish California
- Eli Zigas, Food and Agriculture Policy Director, San Francisco Bay Area Planning and Urban Research Association (SPUR)
- Emily Marshall, Finance Budget Analyst, Department of Finance
- Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

**Issue 9: Emergency Food Bank Funding and Increasing Demand**

- Jennifer Troia, Chief Deputy Director, California Department of Social Services
- Becky Silva, Government Relations Director, California Association of Food Banks
- Josué Barajas, Chief Programs Officer, Second Harvest Food Bank, Santa Cruz County
- Emily Marshall, Finance Budget Analyst, Department of Finance
- Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

**Issue 10: Absence of Rapid Response Funding in Governor's Budget**

- Eliana Kaimowitz, Acting Director, Office of Equity and Branch Chief, Immigrant Integration Branch, California Department of Social Services
- Kate Clark, Senior Director of Immigration Services, Jewish Family Service of San Diego
- Thomas Locke, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

**Issue 11: Immigration Services: Governor's Proposal to Eliminate Temporary Protected Status (TPS) Services Program Elimination**

- Eliana Kaimowitz, Acting Director, Office of Equity and Branch Chief, Immigrant Integration Branch, California Department of Social Services
- Bruno Huizar, Detention and Deportation Policy Manager, California Immigrant Policy Center
- Thomas Locke, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

**Issue 12: Immigration Services: Governor's Proposal to Reduce Funding for the California State University Legal Services Program**

- Eliana Kaimowitz, Acting Director, Office of Equity and Branch Chief, Immigrant Integration Branch, California Department of Social Services
- Jackie Gonzalez, Policy Director, Immigrant Defense Advocates
- Thomas Locke, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

**Issue 13: Immigration Services: Oversight of Stop the Hate Funding**

- Kim Johnson, Director, California Department of Social Services
- Thomas Locke, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

**Issue 14: Related DSS Budget Change Proposals (BCPs) and Trailer Bill Language (TBL)**

- ◇ Improving Operations to Support Immigrant and Refugee Children BCP
- ◇ Refugee Resettlement Increased Staffing BCP
- ◇ CalFresh Employment & Training (E&T) - CalFresh Confirm BCP
- ◇ CalFresh Healthy Living (CFHL) Section Alignment BCP
- ◇ CalFresh Outreach Unit Expansion BCP
- ◇ California Food Assistance Program (CFAP) Overissuance Collection Retention Rates TBL
- Eliana Kaimowitz, Acting Director, Office of Equity and Branch Chief, Immigrant Integration Branch, California Department of Social Services
- Jennifer Troia, Chief Deputy Director, California Department of Social Services
- Thomas Locke, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

## Items To Be Heard

### 5180 Department of Social Services

#### Issue 1: Poverty and Hunger in California Today

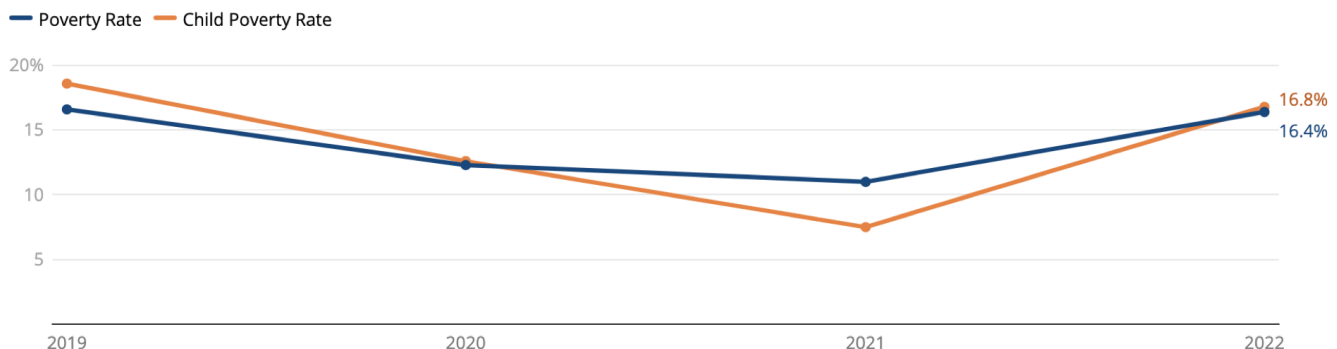
This issue is intended to provide information on California's current poverty, child poverty, and hunger rates as a backdrop to the examination of the large, anti-poverty and anti-hunger safety net programs that are administered by the California Department of Social Services (CDSS) and that are discussed in more detail throughout this agenda. There is a broad overview of CDSS included at the end of this Issue narrative.

**Poverty and Child Poverty in California Today.** The following is information that has been published by the California Budget & Policy Center in their report titled, ["Poverty is Rising in California: What Can Policymakers Do?"](#) The key takeaway is that the end of the pandemic-era investments in the Child Tax Credit and other federal policies that help families make ends meet led to a huge increase in poverty in 2022 in California.

Nationally, 2022 marked the biggest increase in poverty in over 50 years, and California showed a similarly distressing trend. This increase marks a huge step backwards given the historic drop in child poverty in 2021 spurred by pandemic-era public investments in the Child Tax Credit (CTC) and other policies that help families make ends meet. The facts highlighted in the proceeding narrative draw on an analysis of the US Census Bureau's Supplemental Poverty Measure to compare poverty rates from 2021 to 2022 and show how federal policy decisions have pushed more families into poverty.

#### California Poverty Rates Rose Dramatically in 2022 After Drops in Prior Years Driven by Pandemic-Era Policies

California Poverty Rate Under the Supplemental Poverty Measure, 2019 - 2022



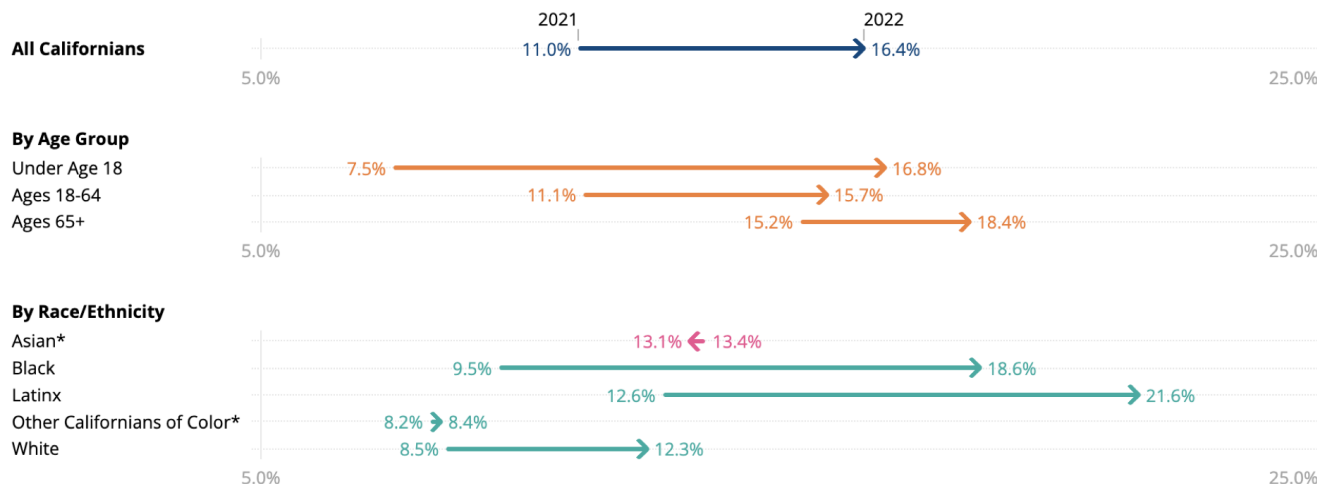
Note: Temporary pandemic policies that contributed to poverty rate decreases in previous years — and then the subsequent increases upon their expiration — include expansions of the federal Child Tax Credit and Earned Income Tax Credit, federal Economic Impact Payments, and expanded unemployment benefits.

Source: Budget Center analysis of US Census Bureau, Current Population Survey public-use microdata

From 2021 to 2022, the poverty rate across all Californians increased from 11.0% to 16.4%. Among age groups, child poverty (under age 18) rose the most, with the 2022 rate over twice the rate of 2021. This increase comes after two years of declines in child poverty, illustrating a step backward in policies that support child economic well-being.

## Poverty Increased for Many Groups in California in 2022 as Pandemic-Era Policies Ended

California Poverty Rates Under the Supplemental Poverty Measure, 2021 to 2022



Note: Changes in poverty rates between 2021 and 2022 for starred groups are not statistically significant at the 90% confidence level.

\*"Other Californians of Color" includes American Indians and Alaska Natives, Native Hawaiians and Pacific Islanders, and people identifying with more than one race.

Source: Budget Center analysis of US Census Bureau, Current Population Survey public-use microdata • [Download image](#)



**Race and Poverty.** Major pandemic-era federal policies that lifted many Californians out of poverty in 2021 — including the expanded CTC — ended in 2022. This severely weakened our system of public supports that helps families and individuals meet basic needs, pushing more Californians — particularly children as well as Black and Latinx Californians — into poverty.

The increase in poverty was especially striking for Black and Latinx Californians whose poverty rates nearly doubled from 2021 to 2022. Since the expiration of key pandemic-era policies, recent analyses highlighted that Black and Latinx Californians have been more likely to struggle with paying basic expenses, underscoring that the end of pandemic supports have furthered racial inequities. Specifically, in 2022, nearly one in five Black Californians and more than one in five Latinx Californians are back in poverty.

**Public Supports Reduced Poverty, Removing Those Supports Exacerbated Poverty.** Public supports cut California's child poverty rate by more than two-thirds in 2021 when major pandemic-era policies like the expanded CTC were in place. This helped push the child poverty rate down to 7.5%. But in 2022, when those policies ended, public supports reduced the child poverty rate by only one-third, contributing to a more than doubling of the child poverty rate to 16.8% that year.

## Public Supports Did Less to Reduce California Poverty Rates in 2022 as Pandemic-Era Policies Ended

California Poverty Rates Under the Supplemental Poverty Measure by Age Group, 2021-2022

■ Actual Poverty Rate    ▨ What Poverty Rate Would Have Been Without Public Supports

### All Californians



### Under Age 18



### Ages 18-64



### Age 65+



Note: Public supports include, but are not limited to, Social Security benefits, unemployment compensation, nutrition assistance (CalFresh in California), housing assistance, and refundable tax credits (Earned Income Tax Credit and Child Tax Credit).

Source: Budget Center analysis of US Census Bureau, Current Population Survey public-use microdata



California Budget  
& Policy Center

Similarly, the end of major pandemic-era federal policies also helped drive up the poverty rate for Black and Latinx Californians. While public supports cut the poverty rate for Black Californians by three-quarters to 9.5% in 2021, they only reduced poverty for Black Californians by well under half the following year, contributing to a near doubling of the poverty rate to 18.6%. For Latinx Californians, public supports cut the poverty rate by about 60% in 2021 when major pandemic-era policies were in place, but by only about 30% in 2022 after those policies ended, contributing to a substantial rise in the poverty rate from 12.6% to 21.6%.

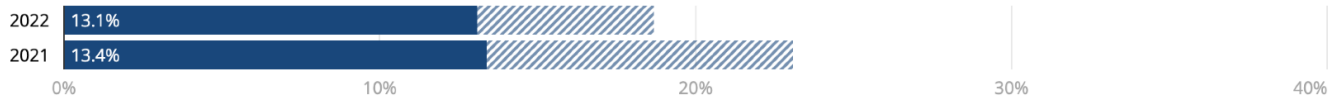
These dynamics are further illustrated in the chart on the next page.

## Public Supports Did Less to Reduce California Poverty Rates in 2022 as Pandemic-Era Policies Ended

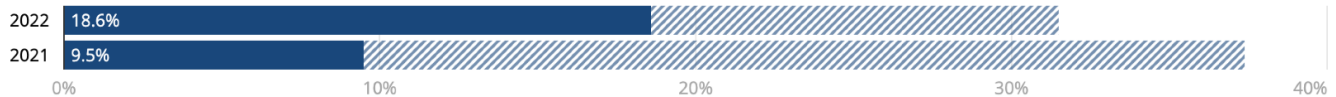
California Poverty Rates Under the Supplemental Poverty Measure by Race/Ethnicity, 2021-2022

■ Actual Poverty Rate    ▨ What Poverty Rate Would Have Been Without Public Supports

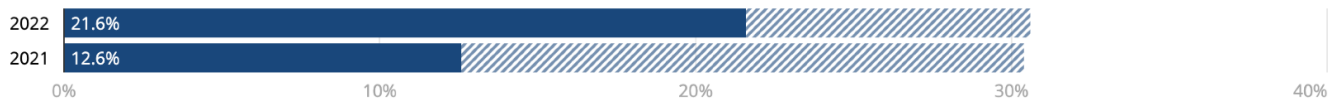
### Asian



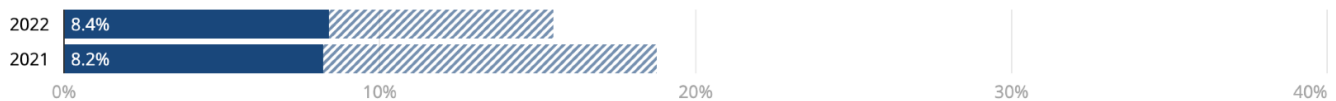
### Black



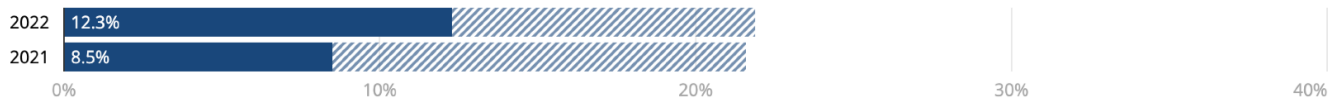
### Latinx



### Other Californians of Color



### White



Note: Public supports include, but are not limited to, Social Security benefits, unemployment compensation, nutrition assistance (CalFresh in California), housing assistance, and refundable tax credits (Earned Income Tax Credit and Child Tax Credit). "Other Californians of Color" includes American Indians and Alaska Natives, Native Hawaiians and Pacific Islanders, and people identifying with more than one race.

Source: Budget Center analysis of US Census Bureau, Current Population Survey public-use microdata



## Hunger in California Today.

The following is information that has been published by the [California Association of Food Banks on their website](#).

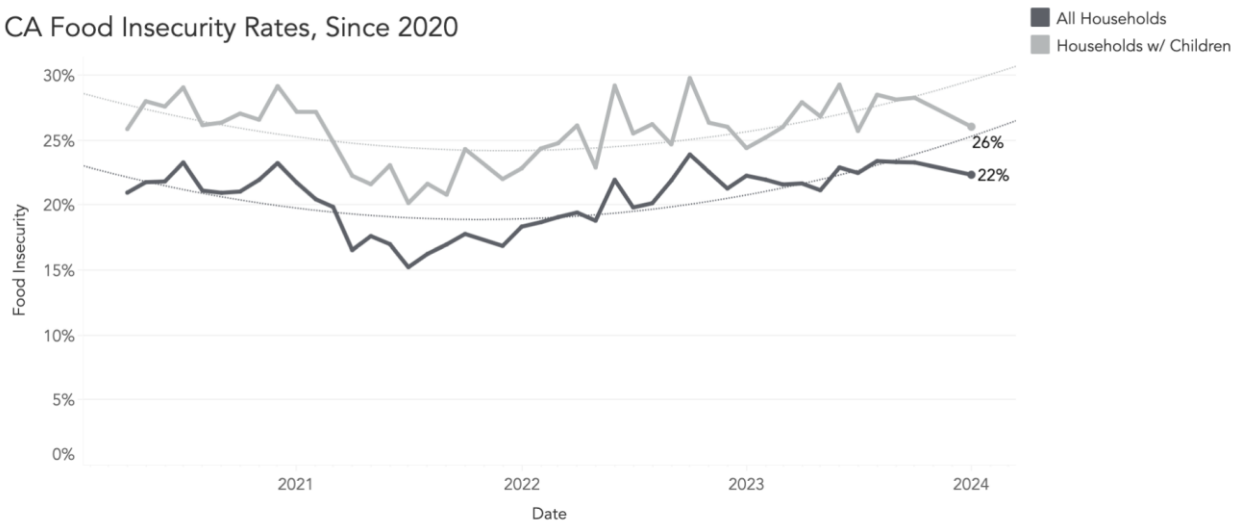
- The first graph displays food insecurity rates for households and then for households with children, as of January 2024.
- The second graph displays food insecurity in select metropolitan regions, since 2020.
- The third graph displays food insecurity by race, for households and then for households with children, starting from May 2020 at the leftmost side and until January 2024 at the rightmost side.

## Data as of January 2024

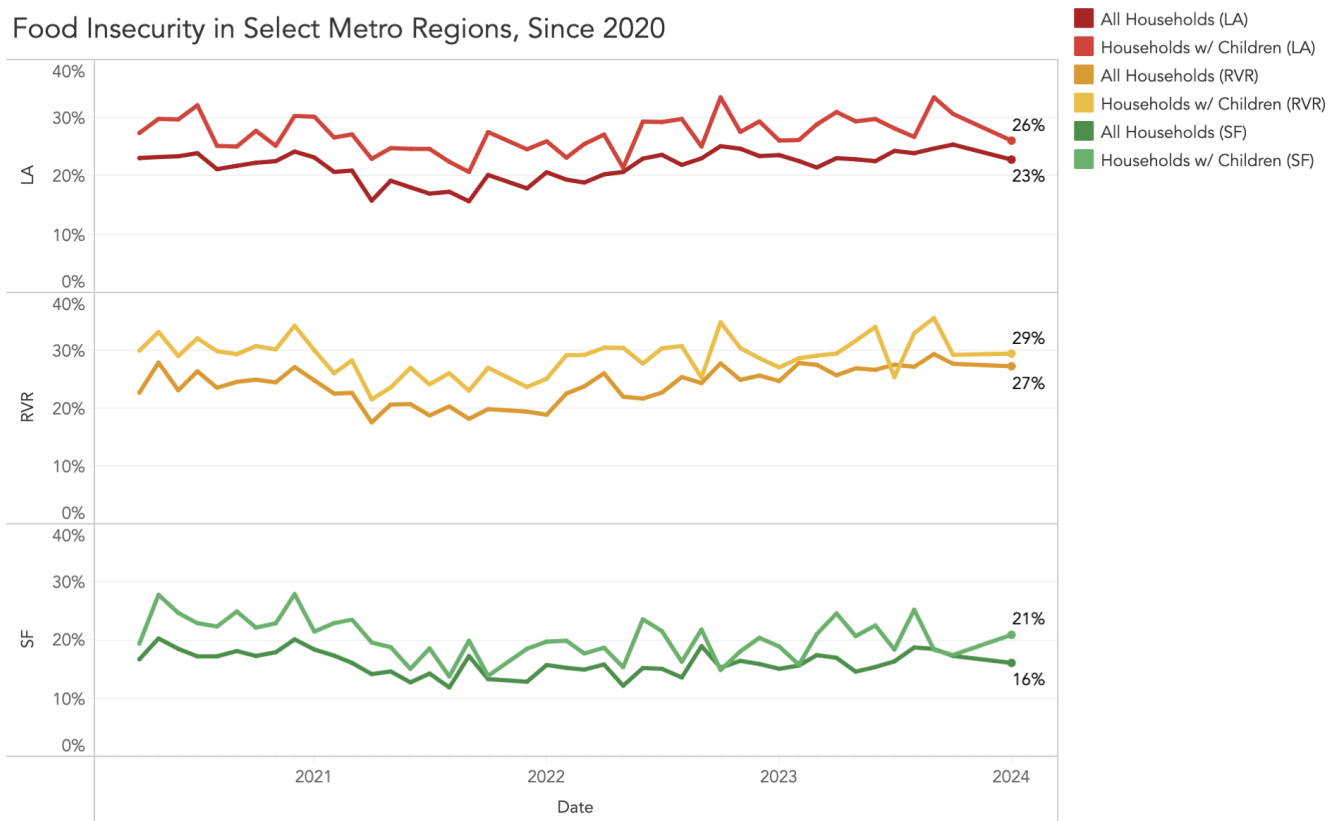
**22% (2,993,088) Households**

**26% (993,343) Households w/ Children**

CA Food Insecurity Rates, Since 2020

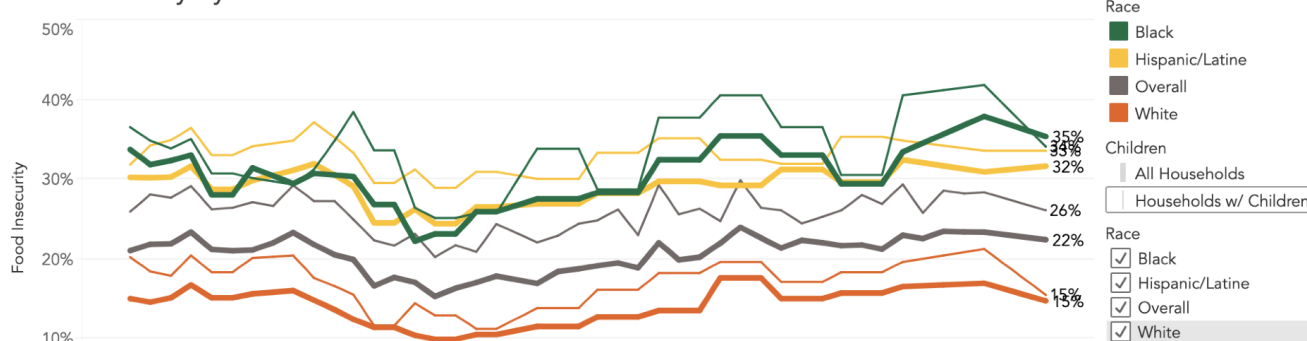


Food Insecurity in Select Metro Regions, Since 2020



LA: Los Angeles – Long Beach – Anaheim, CA Metro Area  
 RVR: Riverside – San Bernadino – Ontario, CA Metro Area  
 SF: San Francisco – Oakland – Berkeley, CA Metro Area

Food Insecurity by Race



**Overview of the California Department of Social Services.** The California Department of Social Services (CDSS) serves, aids, and protects children and adults in California who are experiencing need or vulnerability through a variety of state supervised, locally administered programs and services. Under the Health and Human Services Agency, the Department has approximately 6,109 employees located in 65 offices throughout the state. Program services are provided through the 58 county welfare departments, probation departments, child care and development contractors, and other service providers and community-based organizations.

**Local Assistance Summary.** The CDSS local assistance budget provides funding for a wide variety of social services and income assistance programs that are administered through the 58 counties, tribes, and local service providers. In recent years, the Administration and Legislature have made significant investments in public safety net programs to improve the lives of all Californians, particularly the state's most vulnerable communities. This included significant investments to increase the CalWORKs and SSI/SSP grants, address homelessness, support the expansion of child care subsidies, provide legal services to immigrants, and improve the outcomes of children and youth in the foster care system.

In 2024-25, CDSS will be involved in the delivery of over \$55.2 billion total funds (TF) in local assistance programs and services, which include \$20.4 billion General Fund, \$9.0 billion County Funds and Realignment dollars, and \$15.9 billion in reimbursements. The following charts are intended to provide a global view of CDSS, with programs that are of particular relevance for this hearing highlighted in yellow.

Funding Source* (Dollars in millions)	CDSS TOTAL BUDGET		
	FY 2023-24	FY 2024-25	Change from FY 2023-24 to FY 2024-25
General Fund	\$20,477	\$21,755	\$1,278
Federal Funds	\$12,771	\$10,551	(\$2,220)
Other Funds	\$210	\$55	(\$155)
Reimbursements	\$15,400	\$16,218	\$818
<b>Total Budget</b>	<b>\$48,858</b>	<b>\$48,579</b>	<b>(\$279)</b>

\*EXCLUDES COUNTY AND REALIGNMENT FUNDS

## CDSS LOCAL ASSISTANCE PROGRAMS

Program <sup>1</sup> (Dollars in millions)	FY 2023-24 Total	FY 2023-24 State	FY 2024-25 Total	FY 2024-25 State
IHSS	\$22,418.4	\$8,020.5	\$24,296.8	\$9,027.5
SSI/SSP <sup>2</sup>	11,288.7	3,559.5	11,518.1	3,674.4
CalWORKs <sup>3</sup>	6,226.8	2,795.5	6,178.2	2,830.7
CalFresh and Nutrition <sup>2</sup>	18,912.8	1,299.5	16,385.3	1,262.8
Foster Care	3,748.0	318.2	3,877.3	335.4
Child Welfare Services	5,592.8	540.6	5,620.1	458.3
Housing & Homelessness	123.3	122.3	122.8	122.3
Refugees and TCVAP	391.8	31.7	226.2	32.0
Immigrant Integration	223.0	213.0	58.4	48.4
Child Care and Development	6,162.4	3,274.8	6,660.0	4,747.4

1 Reflects expenditures for major CDSS programs.

2 Includes federal benefits outside the CDSS budget.

3 Represents funding needed before fund shifts and Realignment Subaccounts. California Work Opportunity and Responsibility to Kids (CalWORKs) Stage One Child Care funding is under Child Care Development and CalWORKs Housing Support Program and CalWORKs Domestic Abuse Homeless Assistance Program funding is under Housing and Homelessness.

## CDSS CASELOAD PROJECTIONS

Program	2023 Budget Act Caseload	FY 2023-24 Caseload	FY 2024-25 Caseload	CY to BY % Change
IHSS	645,217	660,497	691,075	4.6
SSI/SSP	1,108,625	1,110,779	1,094,642	-1.5
CAPI	14,532	15,447	15,915	3.0
CalWORKs	340,743	348,599	354,117	1.6
CalFresh	2,966,760	3,054,619	3,085,183	1.0
CalWORKs Child Care	137,273	149,044	169,857	14.0
CFAP	43,661	51,491	56,648	10.0
CWS	117,525	122,841	124,256	1.2
FC	50,103	48,374	47,681	-1.4
Adoption	85,569	86,738	86,862	0.1
Kin-GAP	18,179	17,965	18,053	0.5

**Panel****Requests and Questions for the Panel:**

- ◇ Please describe the reasons for the rising caseload and increased utilization of services in the state's major anti-poverty and anti-hunger programs, principally CalWORKs and CalFresh.
  - ◇ Who is poor in California and what are trends in poverty and child poverty?
  - ◇ Are our intended anti-poverty programs reaching Californians who are eligible for safety net resources?
  - ◇ What is the take-up rate in the CalWORKs program for eligible families? Why is the state not reaching more families in need?
- Monica Saucedo, Senior Policy Fellow, California Budget & Policy Center
  - Kim Johnson, Director, California Department of Social Services
  - Emily Marshall, Finance Budget Analyst, Department of Finance
  - Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

**LAO Comments**

The following information has been provided by the Legislative Analyst's Office (LAO) regarding the Safety Net Reserve and the Governor's proposal, relevant to this item as the Safety Net Reserve was created to assist with increased expenditures, and avoiding reductions, in safety programs during an economic downturn. The Governor proposes a \$900 million withdrawal from the Safety Net Reserve, which reflects the entire balance of that reserve.

The LAO's assessment is that the withdrawal may be inconsistent with legislative intent for the Safety Net Reserve. The Safety Net Reserve, established in 2018-19, was designed to help cover costs of increasing Medi-Cal and CalWORKs caseloads in the event of an economic downturn. Although caseloads under the Governor's budget are higher than anticipated in June, economic conditions likely do not yet match what the Legislature envisioned when it created the reserve. Moreover, the administration proposes the ongoing reductions mentioned above despite withdrawing these reserves. Withdrawing the entirety of this reserve, while simultaneously proposing reductions, may not be consistent with its original design.

The Governor's budget includes \$13 billion in total reserve withdrawals. About 7 percent of these proposed withdrawals are from the Safety Net Reserve. The remaining \$12.1 billion in proposed withdrawals are from the state's general-purpose reserve—the Budget Stabilization Account (BSA). If the Governor declares a budget emergency, the state can withdraw up to half of the constitutional balance of the BSA. (The Legislature also can withdraw the entire

“discretionary” balance of the BSA, which are funds added to the reserve on top of required deposits.) The Governor proposes withdrawing half of the BSA’s constitutional balance, \$10.2 billion, and the entire discretionary balance, \$1.8 billion, while also proposing a full balance withdrawal from the Safety Net Reserve.

#### Staff Comments

The aforementioned California Budget & Policy Center report outlines possible state strategies to reduce poverty, including:

- Expanding refundable tax credits, such as California’s Earned Income Tax Credit (CalEITC) and Young Child Tax Credit;
- Ensuring that all Californians, regardless of immigration status, can benefit from supports that help families and individuals meet basic needs, such as nutrition assistance and unemployment benefits; and
- Strengthening vital supports that improve families’ economic well-being, such as by increasing the minimum CalFresh nutrition benefit and Reimagining CalWORKs as a family-first, anti-racist program.

**Staff Recommendation:** This is an informational item intended to provide a backdrop for the remaining Issues in this agenda. No action is necessary. Hold open on Safety Net Reserve.

**Issue 2: Impacts of Guaranteed Income and Relationship with Housing Homeless Californians, with Review of Guaranteed Income Pilot Program (GIPP)**

**Guaranteed Income Pilot.** AB 153 (Chapter 86, Statutes of 2021) established the Guaranteed Income (GI) Pilot Program. The 2021 Budget Act included \$35 million General Fund, available over five years, for the pilot program. CDSS has awarded funding to seven local grantees to provide unconditional, regular monthly payments to pregnant individuals and youth exiting extended foster care at or after 21 years of age. These were the two categories for recipients set in the statute that authorized the program.

**Implementation Efforts.** The following information has been provided by CDSS.

Six out of seven pilots have launched. The remaining pilot is anticipated to launch by the end of Spring 2024.

**Launched Pilots:**

- City and County of San Francisco (SFHSA): Pilot will provide 150 former foster youth with \$1,200 per month for 18 months in San Francisco County.
- Ventura County Human Services Agency: Pilot will provide 150 former foster youth with \$1,000 per month for 18 months in Ventura County.
- iFoster, Inc.: Pilot will provide 300 former foster youth with \$750 per month for 18 months, statewide.
- McKinleyville Community Collaborative: Pilot will provide 150 pregnant individuals with \$920 per month for 18 months in Humboldt County.
- Expecting Justice (Heluna Health DBA Public Health Foundation Enterprises, Inc.): Pilot will provide 425 pregnant individuals who are at high risk for pre-term birth with \$600-\$1,000 per month for 12-18 months in Alameda, Contra Costa, Los Angeles, and Riverside Counties.
- Inland Southern California United Way: Pilot will provide 500 pregnant individuals with \$600 per month for 18 months and 120 former foster youth (Riverside and San Bernardino Counties) with \$750 per month for 18 months (Riverside County).

**Remaining Pilot – To Launch by Spring 2024:**

- Los Angeles Section National Council of Jewish Women: Pilot will provide 150 pregnant individuals \$1,000 per month for 18 months in Los Angeles County.

**Research/Evaluation Goals and Timelines.** Evaluation of the pilots will be conducted by the Urban Institute and U.C. Berkeley. Using mixed-methods analyses (i.e., quantitative and qualitative), the impact and implementation of the pilots will be evaluated. Five of seven pilots

have a randomized controlled trial (RCT) design to measure causal impact of guaranteed income.

Research questions include whether the receipt of guaranteed income:

- Improves beneficiaries' health, mental health, and well-being;
- Improves financial well-being; housing and food security;
- Improves quality of life, agency, and/or dignity;
- Affects participation in benefit programs (e.g., CalFresh, CalWORKS, UI, MediCal);
- Affects labor force participation, including entry to work, sustaining work, and employment precarity;
- Affects educational enrollment, retention, or completion; and
- Reduces any/intergenerational child welfare involvement (for pregnant population and parenting former foster youth).

Analysis of implementation will focus on how guaranteed income payments interact with local social safety net programs and eligibility criteria for means-tested programs.

**Evaluation methodology.** Data sources include surveys, focus groups, administrative data. RCT sites will compare the outcomes of those who receive GI and those who do not. These sites cannot serve all of their eligible population. To ensure fairness, participants are selected via lottery. Two foster youth sites are serving all of their eligible youth (SFHSA and Ventura) because they had the resources to do so and they had a smaller eligible population within their geographies.

**Governor's Related Trailer Bill Language Proposal.** The Governor's proposed trailer bill language proposes the extension of the current sunset date for the GI Pilot program, July 1, 2026, to January 1, 2028. This additional time will allow guaranteed income pilots sufficient time to enroll all participants. It will also allow the evaluator sufficient time to produce a robust evaluation, which includes data collection at program exit (when direct payments end).

Delayed implementation stems from longer than expected timelines for grant negotiation and execution which led to local pilots needing additional planning time prior to launch. Securing a statewide disbursement platform also added a contractual layer that was unanticipated, but necessary to facilitate the evaluation and to integrate benefits counseling tools and reporting. These delays have led to a later start date for the enrollment period for pilots. Pilots also require a longer than anticipated enrollment window to reach enrollment targets (e.g., extending enrollment from a six-month period to a nine-month period).

If the sunset date is not extended, CDSS expects that pilots will enroll fewer individuals than anticipated, which would also seriously undermine the evaluation. This proposal is needed at this time due to the timing of enrollment windows. Extending the sunset date in a later fiscal year would be too late for pilots to alter their operations, as they would have already ended their enrollment periods.

Delays in enrollment and first payment have also pushed the expected completion date of the final evaluation of the program, which will include data analysis from exit surveys and administrative data analysis following exit from the program. Without an extension of the sunset date, the evaluator will also have insufficient time to produce a final report. This proposal has no fiscal impact.

**University of Southern California Miracle Money Pilot.** Dr. Benjamin Henwood of the University of Southern California Center for Homelessness, Housing and Health Equity Research on the panel will speak to the work of the Miracle Money (M\$) Pilot. The following is from an interim report on the pilot that was released in November 2023.

In May of 2022, the pilot began recruitment into a randomized controlled trial to study the impact of Miracle Money (M\$), which is a basic income and social support intervention for people experiencing homelessness delivered by the non-profit, Miracle Messages. Since then, 103 people experiencing homelessness in either the San Francisco Bay Area or Los Angeles County started receiving \$750 per month for one year, based on random selection.

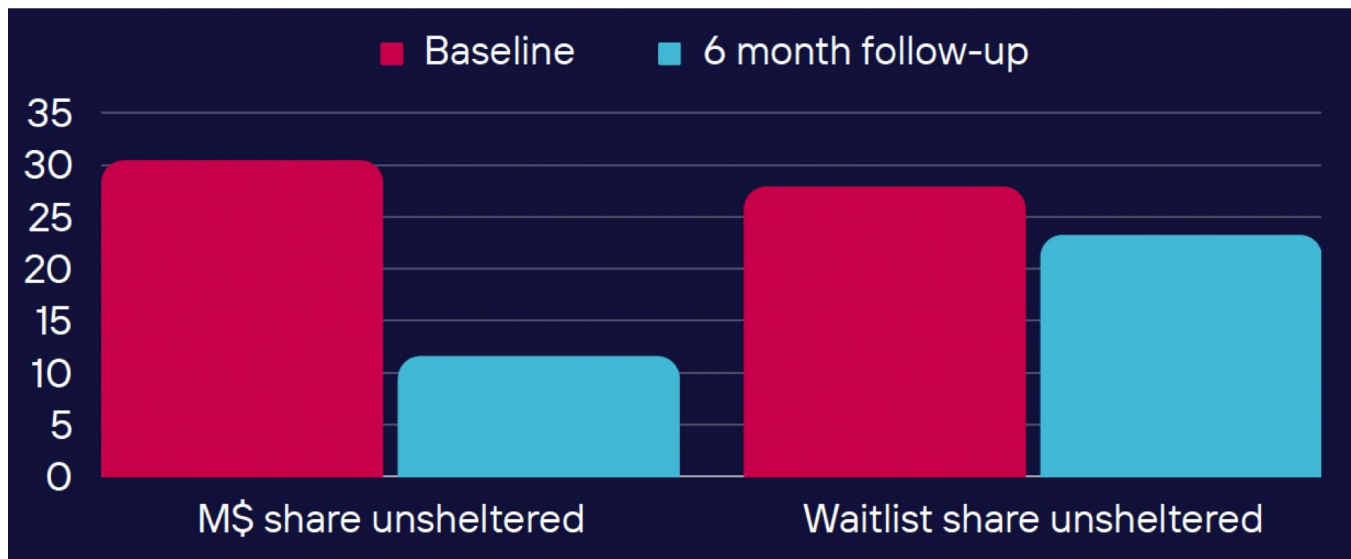
This summary provides a description of those who began receiving monthly income and how they spent their money. It also compares how the 69 people who have received at least six monthly payments are doing compared to a control group (n=86) who accessed usual homeless services.

Two key findings thus far include that people who received M\$ for six months are:

- Less likely to be unsheltered as compared to those who accessed usual services;
- Closer to having enough money to meet all of their basic needs as compared to those who accessed usual services.

For people who received M\$, the proportion of people who reported spending time unsheltered in the past month decreased from 30% at baseline to under 12% at the six-month follow-up, which was a statistically significant change ( $p < .05$ ). For those in the control group, a modest decrease from 28% to 23% was not statistically significant.

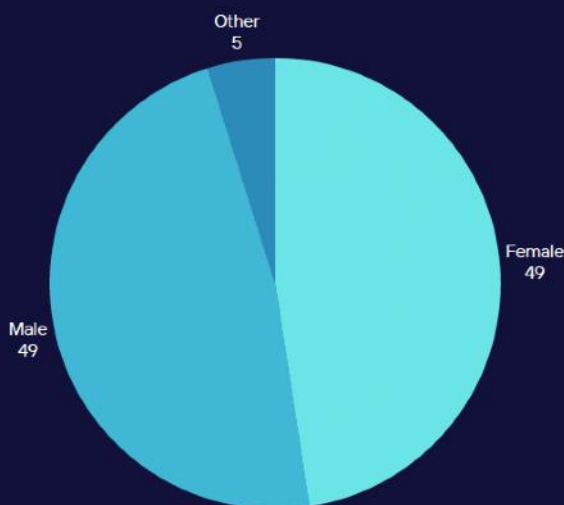
After six months, people who received M\$ also reported being closer to having enough money to meet all of their basic needs on a scale of 1 (i.e., "Completely") to 5 (i.e., "Not at all") as compared to the control group. This was a significant improvement for those receiving M\$ ( $p < .05$ ) with no change in the control group.



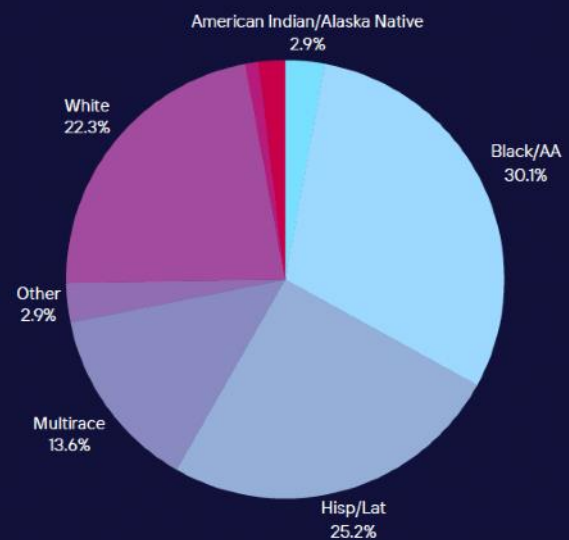
## Demographic characteristics of people receiving monthly income (n=103)

Average Age: 47

### Gender



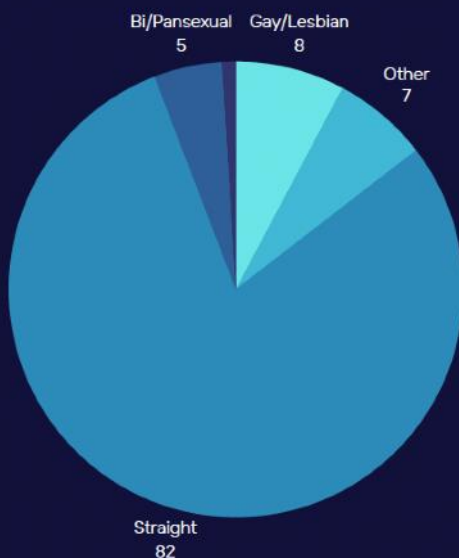
### Race



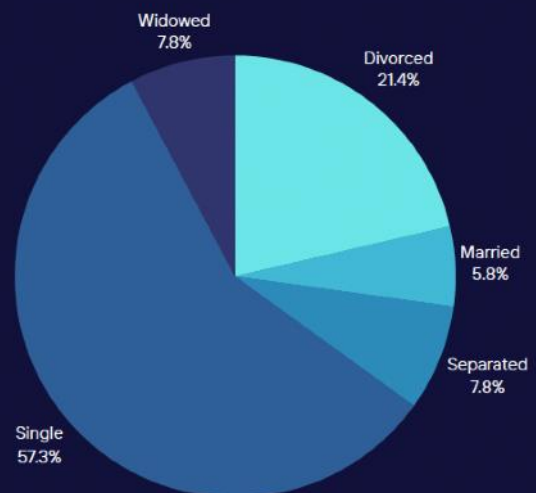
# Demographic characteristics of people receiving monthly income (n=103)

Average Age: 47

## Sexual Orientation



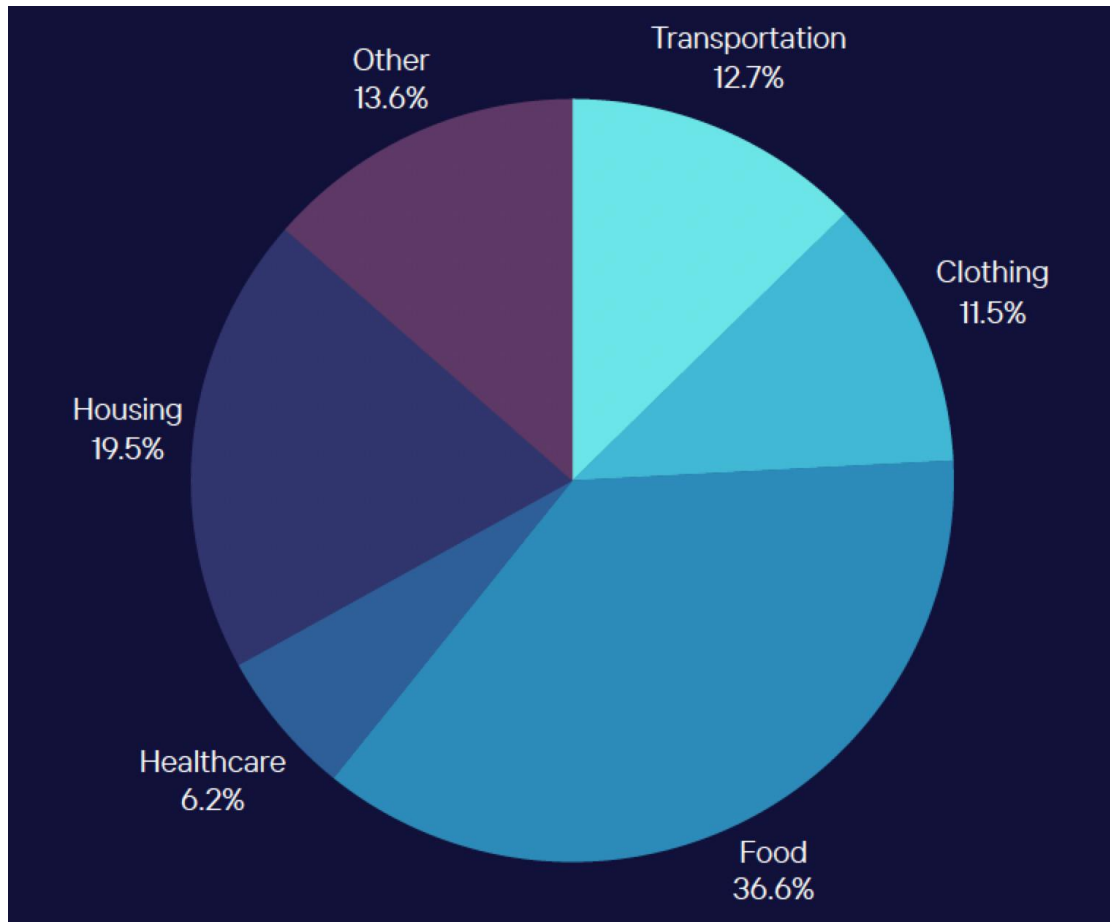
## Relationship Status



**Use of Funds.** In-depth qualitative interviews with a subsample of 20 individuals in M\$ who started receiving monthly income within the past three months provide some understanding of how people are spending money.

- "I used the money to catch up on bills. I did a car repair that was gruesomely needed, right back brakes, playing catch up on some deferred maintenance on the car, making a couple payments. Catching my phone payment up."
- "I live in a Tiny Homes Site and the food here is not diabetic friendly. And so now I can buy healthier food, eat a salad or something healthier."
- "I spent a lot of the money on food on the go. Simple, cheap things like bean and cheese burritos. I eat on the run while I bike/work for DoorDash. I also bought a membership to REI, so I could get my bike fixed for free."

The figure below shows the self-reported monthly budget allocation at month six from those receiving M\$. The single biggest expense was for food followed by housing expenses. Similar amounts were spent on transportation and clothing. Healthcare costs only made up 6% of monthly expenses with the remaining 14% on other expenses.



Data collection for this experiment is scheduled to end by October 2024 with a final report expected by the end of 2024. Additional interim reports that will include the full sample at six months and consider a wider array of outcomes are expected in the first half of 2024 and can be found [here](#).

#### Panel

#### Questions for the Panel:

- ◇ What impact does income have on abating homelessness and improving housing security?
- ◇ What lessons from guaranteed and basic income programs can be projected for our larger anchor safety net programs such as CalWORKs?

- Kim Johnson, Director, California Department of Social Services
- Dr. Benjamin Henwood, Director, University of Southern California Center for Homelessness, Housing and Health Equity Research
- Dr. Carrie Miller, Senior Manager, Policy Implementation and Alignment Branch, Los Angeles County Chief Executive Office
- Emily Marshall, Finance Budget Analyst, Department of Finance
- Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

**Staff Comments**

**Staff Recommendation:** This is an informational item, no action is necessary.

**Issue 3: CalWORKs: Governor's Proposal to Eliminate Family Stabilization Program**

**Governor's Proposed Cuts in CalWORKs.** The Governor's Jan. 10 Budget included five cut or program elimination proposals for the California Work Opportunity and Responsibility to Kids (CalWORKs) program, listed in the chart below with the associated amount of General Fund savings across the General Fund fiscal multi-year display. Each of these proposals is discussed in this agenda, starting with the proposal to completely defund, and thus permanently eliminate, the Family Stabilization program within CalWORKs.

		<b>2022-23 PY</b>	<b>2023-24 CY</b>	<b>2024-25 BY</b>	<b>2025-26 BY+1</b>	<b>2026-27 BY+2</b>	<b>2027-28 BY+3</b>
Issue 3	CalWORKs: Family Stabilization Reversion/Reduction		55.0	71.2	71.2	71.2	71.2
Issue 4	CalWORKs: Expanded Subsidized Employment Reversion/Reduction		134.1	134.1	134.1	134.1	134.1
Issue 5	CalWORKs Single Allocation Ongoing Augmentation Reversion/Reduction		40.8	40.8	40.8	40.8	40.8
Issue 5	CalWORKs Single Allocation Partial Reversion	336.6					
Issue 5	CalWORKs: Employment Services Intensive Case Management Reduction			46.9	47.4	47.9	48.4
	<b>Totals</b>	<b>336.6</b>	<b>229.9</b>	<b>293.0</b>	<b>293.5</b>	<b>294.0</b>	<b>294.5</b>

**CalWORKs Background.** Before focusing on each cut or program elimination proposal for CalWORKs, the agenda first provides an overview of the CalWORKs program. This information was provided by the Legislative Analyst's Office and more detail is available in [their recent report](#). CalWORKs was created in 1997 in response to the 1996 federal welfare reform legislation that created the federal Temporary Assistance for Needy Families (TANF) program. CalWORKs is administered by counties and overseen by the state Department of Social Services (DSS).

Federal law allows for some state flexibility in the use of federal TANF funds. California receives \$3.7 billion annually for its TANF block grant, over \$2 billion of which goes to CalWORKs (the remainder helps fund aid for some low-income college students and various small human services programs). To receive its annual TANF block grant, the state must spend a maintenance-of-effort (MOE) amount from state and local funds to provide services for families eligible for CalWORKs. This MOE amount is approximately \$3 billion annually (which can be spent directly on CalWORKs or other programs that meet federal requirements). State and federal CalWORKs funding generally is allocated to the counties, all of whom directly serve eligible families.

**Caseload and Grants.** The administration estimates CalWORKs caseload growth of about 5 percent from 2023-24 to 2024-25. The administration estimates an average monthly CalWORKs caseload of about 354,000 households (families) in 2024-25, with 659,000 children (75% of all individuals) included in those families. Additionally, the administration estimates a CalWORKs grant increase of 0.8 percent effective October 2024 (triggered and funded by local revenue growth). This grant increase would cost about \$27 million in 2024-25 (with an annual cost of about \$37 million).

The Governor's budget also proposes withdrawing all available funds, \$900 million, from the Safety Net Reserve and signals the state's intent to apply for an upcoming federal pilot.

**Detail on Grants.** CalWORKs grants vary based on region, number of eligible family members, and income. Families living in high-cost coastal counties such as Los Angeles and San Francisco receive grants that are about 5 percent larger than similar families living in inland counties such as Fresno and Shasta. In general, grant sizes increase as family size increases and grant sizes decrease as family income increases. In 2023-24, the administration estimates the average CalWORKs grant amount to be \$1,021 per month across all family sizes and income levels. CalWORKs recipients are often also eligible to receive supportive services and resources, such as subsidized child care, employment training, mental health counseling, and housing assistance.

Following a major realignment of state and local responsibilities in 1991, some funds generated by the state sales tax and vehicle license fee accrue to a special fund with a series of subaccounts which pay for a variety of health and human services programs. Under state law, sufficient revenue growth in the Child Poverty and Family Supplemental Support Subaccount triggers an increase in CalWORKs cash grant amounts. In the past, this account funded grant increases of 5 percent in 2013-14 and 2014-15, 1.43 percent in 2016-17, 5.3 percent in 2021-22, 11 percent in 2022-23, and 3.6 percent in 2023-24. In addition, this account has funded the repeal of the maximum family grant policy starting in 2016-17. The account continues to fund each of these changes annually. If, in any given year, account funds are insufficient to fully fund these prior changes, the remaining cost for that year is covered by General Fund.

Monthly CalWORKs grant amounts are set according to the size of the assistance unit (AU). The size of the AU is the number of CalWORKs-eligible people in the household. Grant amounts are adjusted based on AU size—larger AUs are eligible to receive a larger grant amount—to account for the increased financial needs of larger families. As of December 2023 (when the

most recent analysis was conducted), about 40 percent of CalWORKs cases included everyone in the family (and thus the AU size and the family size were the same). In the remaining 60 percent of cases, though, one or more people in the family were not eligible for CalWORKs and therefore the AU size was smaller than the family size.

Most commonly, people are ineligible for CalWORKs because they: (1) exceeded the lifetime limit on aid for adults (currently 60 months); (2) currently are sanctioned for not meeting some program requirements; or (3) receive Supplemental Security Income/State Supplementary Payment (SSI/SSP) benefits (state law prohibits individuals from receiving both SSI/SSP and CalWORKs). Additionally, individuals may be ineligible due to their immigration status. Undocumented immigrants, as well as most immigrants with legal status who have lived in the United States for fewer than five years, are ineligible for CalWORKs.

**Work Requirements.** Most adults receiving CalWORKs assistance must be employed or participate in specified activities intended to lead to employment, known as “welfare-to-work” (WTW) activities. Counties have flexibility in what types of WTW activities and services they provide to participants. If an adult is unable to comply with the WTW requirements, the adult may be sanctioned, which results in a reduction in the grant for the family of approximately \$120 per month, removing the adult portion of the grant.

The federal TANF program places heavy emphasis on states’ WPR, or the percentage of adult participants engaging in required WTW activities. Under federal rules, at least 50 percent of all families and 90 percent of two-parent families receiving TANF/MOE-funded cash assistance must work or engage in WTW activities for 20 to 35 hours per week, depending on their family makeup. States that do not meet these WPR requirements may face federal financial penalties. California currently meets the federal WPR requirements and has never been assessed a federal financial penalty.

**CalWORKs Outcomes and Accountability Review (Cal-OAR).** Aligning with the many tenets of the California Health and Human Services Agency’s (CalHHS), the oversight agency for CDSS, Guiding Principles & Strategic Priorities, Cal-OAR takes an outcome-driven approach that facilitates continuous improvement of county CalWORKs programs by collecting, analyzing, and disseminating outcomes and best practices for participant achievement. The Cal-OAR Review Act of 2017 requires Cal-OAR to focus on three core components: performance measures, a county CalWORKs self-assessment, and a county CalWORKs system improvement plan. This program makes staff and participant collaboration central to the improvement efforts undertaken by County Welfare Departments, with the intent to incorporate policy changes for more equitable outcomes for all participants. Cal-OAR uses performance data to measure the impact of continuous quality improvement (CQI) efforts within the space of equitable, participant-centered, improvement strategies.

**CalWORKs 2.0.** CalWORKs 2.0 is an initiative led by counties and the County Welfare Directors Association of California (CWDA) to encourage counties to develop and utilize a goal-achievement service delivery framework and an intentional service selection approach within CalWORKs. CalWORKs 2.0 focuses on helping people set and achieve their goals, requiring a flexible environment that shifts from compliance-oriented to a more participant-led focus. This

approach will assist families in creating goals that align with program requirements and keeps the family at the center of the decision-making process. The design of CalWORKs 2.0 is based on research that shows the benefits of prioritizing the goals of family stability and individualized success.

## CalWORKs Funding Sources

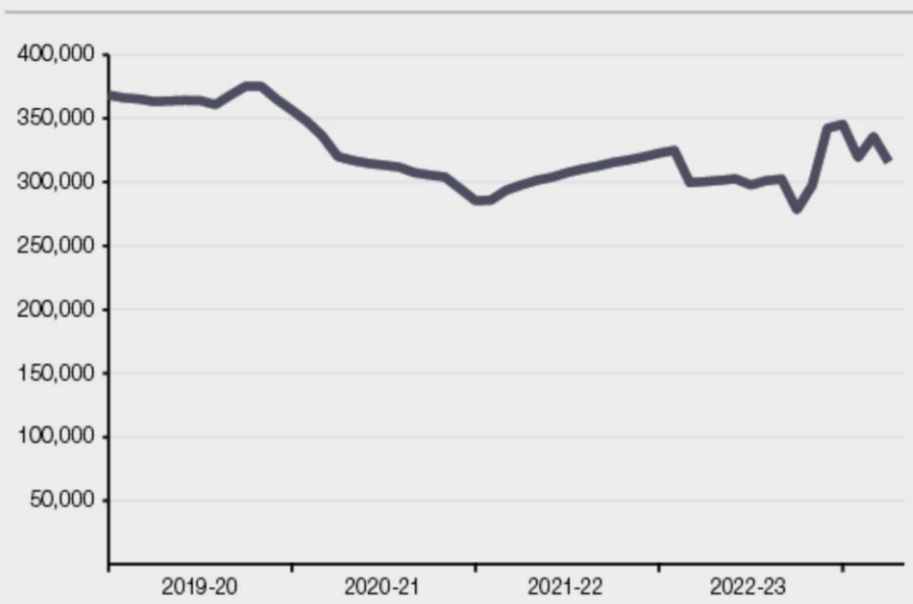
(Dollars in Millions)

	2022-23	2023-24 Proposed	2024-25 Proposed	Change From 2022-23 to 2023-24 Proposed		Change From 2023-24 Proposed to 2024-25 Proposed	
				Amount	Percent	Amount	Percent
Federal TANF block grant funds	\$3,394	\$3,516	\$2,618	\$122	4%	-\$898	-26%
• TANF carryforward <sup>a</sup>	767	902	—	135	18	-902	-100
General Fund	612	307	1,296	-305	-50	989	322
Realignment funds from local indigent health savings	909	786	671	-123	-14	-115	-15
Realignment funds dedicated to grant increases	909	1,143	1,197	235	26	54	5
Other county/realignment funds	1,213	1,219	1,201	5	—	-18	-1
<b>Totals</b>	<b>\$7,037</b>	<b>\$6,971</b>	<b>\$6,983</b>	<b>-\$66</b>	<b>-1%</b>	<b>\$12</b>	<b>0.2%</b>

<sup>a</sup>TANF carryforward is a non-add line item for display purposes only. This amount is included in federal TANF block grant funds.

TANF = Temporary Assistance for Needy Families.

## CalWORKs Caseload Has Fluctuated in Recent Months



## CalWORKs Budget Summary

All Funds (Dollars in Millions)

	2022-23	2023-24 Proposed	2024-25 Proposed	Change From 2022-23 to 2023-24 Proposed		Change From 2023-24 Proposed to 2024-25 Proposed	
				Amount	Percent	Amount	Percent
<b>Number of CalWORKs Cases</b>	<b>331,161</b>	<b>348,599</b>	<b>354,117</b>	<b>17,438</b>	<b>5%</b>	<b>5,518</b>	<b>2%</b>
<b>Cash Grants<sup>a</sup></b>	<b>\$3,868</b>	<b>\$4,302</b>	<b>\$4,413</b>	<b>\$434</b>	<b>11%</b>	<b>\$112</b>	<b>3%</b>
<b>Single Allocation</b>							
Employment Services	\$1,278	\$1,153	\$1,086	-\$125	-10%	-\$67	-6%
Cal-Learn Case Management	11	11	11	—	-1	—	1
Eligibility Determination and Administration	628	506	414	-122	-19	-\$92	-18
<b>Subtotals</b>	<b>(\$1,917)</b>	<b>(\$1,670)</b>	<b>(\$1,511)</b>	<b>(\$-247)</b>	<b>(-13%)</b>	<b>(\$-160)</b>	<b>(-10%)</b>
<b>Stage 1 Child Care</b>	<b>\$532</b>	<b>\$648</b>	<b>\$709</b>	<b>\$116</b>	<b>22%</b>	<b>\$61</b>	<b>9%</b>
<b>Other Allocations</b>							
Home Visiting Program	\$101	\$105	\$106	\$4	4%	\$1	1%
Housing Support Program <sup>b</sup>	285	95	95	-190	-67	—	—
Expanded Subsidized Employment	134	—	—	-134	-100	—	—
Family Stabilization	52	—	—	-52	-100	—	—
Mental Health and Substance Abuse Services	130	130	130	—	—	—	—
<b>Subtotals</b>	<b>(\$702)</b>	<b>(330)</b>	<b>(331)</b>	<b>(\$-372)</b>	<b>(-53%)</b>	<b>(\$1)</b>	<b>(—)</b>
<b>Other<sup>c</sup></b>	<b>\$18</b>	<b>\$20</b>	<b>\$19</b>	<b>\$2</b>	<b>12%</b>	<b>-\$1</b>	<b>-6%</b>
<b>Totals</b>	<b>\$7,037</b>	<b>\$6,971</b>	<b>\$6,983</b>	<b>-\$66</b>	<b>-1%</b>	<b>\$12</b>	<b>0.2%</b>

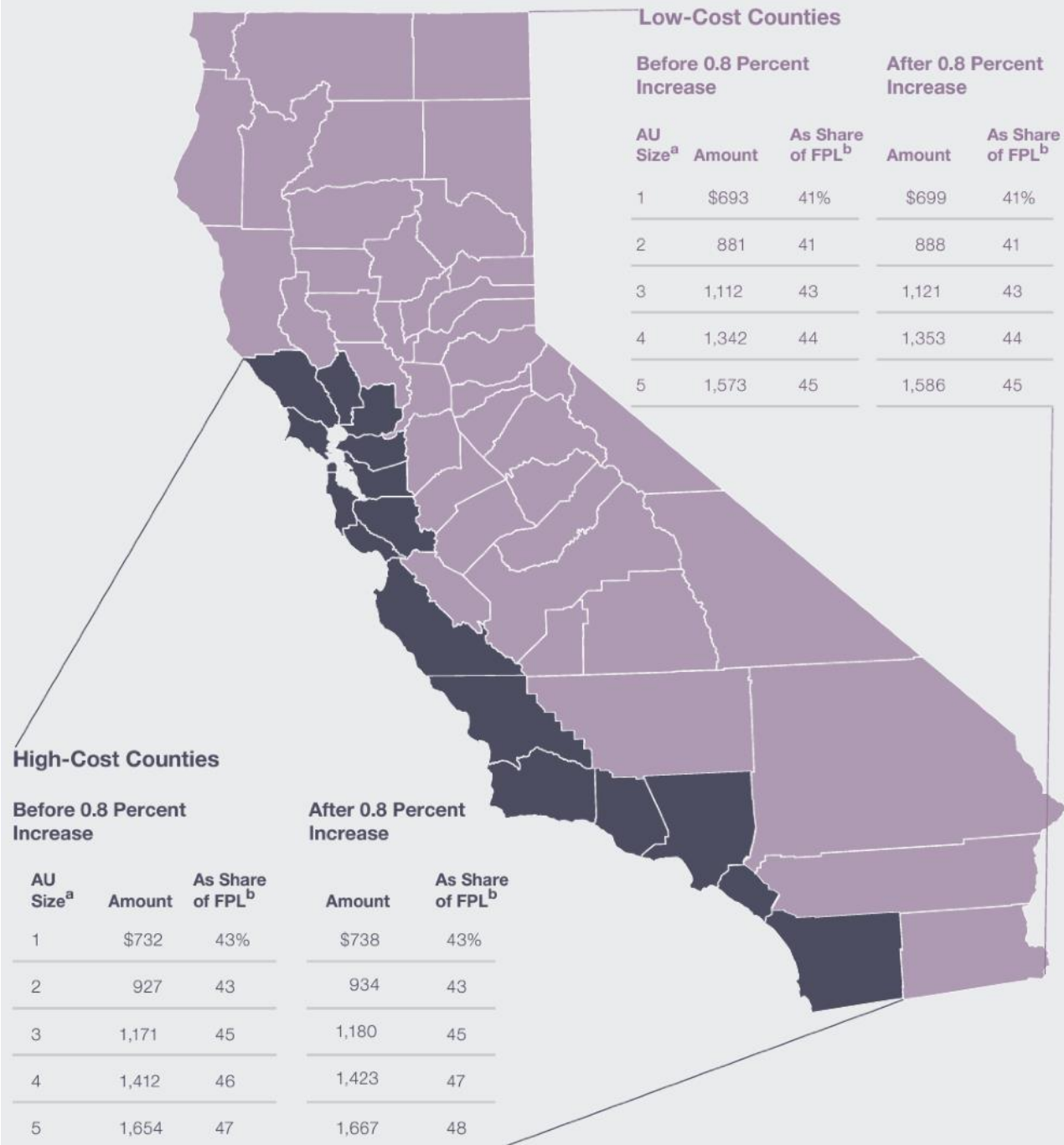
<sup>a</sup>Does not include the cost of an estimated 0.8 percent grant increase funded by certain realignment revenues, which the Governor's budget projects beginning in October 2024. We roughly estimate this would increase cash grants by about \$27 million in 2024-25.

<sup>b</sup>The 2022-23 to 2023-24 decrease in Housing Support Program funding is due to the expiration of one-time funding.

<sup>c</sup>Primarily includes various state-level contracts.

**Grants Still Not Estimated to Meet Legislature's Goal for All Recipients.** As part of the 2018-19 Budget Act, the Legislature set a goal to increase CalWORKs grants to 50 percent of the federal poverty level (FPL) for a family that is one person larger than the AU size (to account for CalWORKs households in which the actual family size is larger than the CalWORKs AU). As shown in the next figure, a grant increase of 0.8 percent would raise grants for all AU sizes in high-cost counties to between 43 percent and 48 percent of the FPL for a family one person larger than the AU size, and to slightly lower levels for families in lower-cost counties. After accounting for the estimated 0.8 percent increase, the estimated additional cost to raise all grants to 50 percent of the FPL for a family one person larger than the AU would be about \$920 million in 2024-25 (partial year) and about \$1.2 billion annually thereafter (although this cost would grow as FPL or caseload increase).

## Governor's Budget Estimates 0.8 Percent Increase to CalWORKs Grants



<sup>a</sup> Assistance unit size is the number of family members who are eligible for CalWORKs.

<sup>b</sup> Share of 2024 federal poverty guideline for a family size that is one person larger than the AU size.

AU = assistance unit and FPL = federal poverty level.

### Characteristics of CalWORKs Families, Their Needs and Barriers.

- In FY 23-24, the average number of children served each month by CalWORKs was 658,498.
- Based on a sampling of federally funded cases (excluding state funded cases) For FFY 2021:
  - 45.5% of the caseload were child only (not safety net or timed out)
  - 2.5% were in WTW sanction
  - 11.7% were in WTW exempt
  - The remaining 40.3% were active WTW participants
  - 90% of all cases funded with TANF/Maintenance of Effort (MOE) funds were led by a female head of household
  - The average age of all TANF/MOE funded heads of household was 37.6 years old
  - Just under half of all families (47.5%) had a child under 6 years of age
  - 69.4% were English speakers and 27.7% were Spanish speakers

FFY 2021 Racial Demographics	
Ethnic Origin	Percent of CalWORKs Population
White	18.1%
Hispanic	59.9%
Black	16.7%
Asian	3.0%
Other	2.3%

CalWORKs provides support to help parents overcome barriers, such as job training and education pathways, and supportive services. Parents and caregivers participating in CalWORKs face many challenges which are supported through program participation, including:

- Limited income, limited job opportunities, housing instability, and barriers to employment such as lack of education, childcare, transportation, discrimination, and the experience of domestic abuse.

Data provided in the 2023 CalWORKs Annual Summary shows that:

- 63% of all adults entering CalWORKs did not have a high school diploma
- 32% had a high school diploma
- 5% had more than a high school diploma

The Online CalWORKs Appraisal Tool (OCAT) is a standardized statewide welfare-to-work (WTW) appraisal tool that identifies client strengths and barriers upon entry into the WTW program. OCAT only captures WTW cases, and only captures barriers experienced upon entry. While OCAT data may not be generalizable to the rest of the caseload or to the experiences of adults throughout their participation in the program, it provides rich information and insight into potential needs upon entry into CalWORKs. The most common barriers identified in OCAT:

- Unemployment: 72 percent
- Domestic abuse: 41 percent
- Mental health: 34 percent
- Substance abuse: 4 percent

**Governor Proposes Elimination of CalWORKs Family Stabilization (FS) Program, Which Provides Services and Support to CalWORKs Families in Crisis.**

Implemented in 2013, FS provides intensive case management and services for CalWORKs recipients experiencing destabilizing crisis situations that interfere with their WTW participation. Qualifying situations include, but are not limited to, homelessness or imminent risk of homelessness; unsafe conditions due to domestic violence; and untreated or undertreated behavioral needs, such as mental health or substance abuse-related needs. FS services include intensive case management, transitional housing, emergency shelter, rehabilitative services, counseling, and other supportive services. In 2022-23, these services supported approximately 44,000 CalWORKs families. About 31 percent of FS households received homelessness support through the program, such as hotel, rental, security deposit, or utility payment assistance.

**Proposal Eliminates All Funding for FS Program.** The Governor's budget proposes a reduction to FS funding of \$55 million in the current year and \$71.2 million in 2024-25 and ongoing. This program is subject to an appropriation by the Legislature. About \$52 million total funds were appropriated for the program in 2022-23 and \$55 million total funds were appropriated in 2023-24. Eligibility for FS is that the "recipient's family is experiencing an identified situation or crisis that is destabilizing the family and would interfere with participation in welfare-to-work activities and services," per WIC 11325.24 (b) (1).

The following information has been provided by CDSS.

<b>Fiscal Year</b>	<b>Individuals Receiving FS Services (duplicated average monthly)</b>
2014-15	1,824
2015-16	3,282
2016-17	4,265
2017-18	4,441
2018-19	4,547
2019-20	4,429
2020-21	2,946
2021-22	2,951
2022-23	3,934

<b>CalWORKs Family Stabilization – Direct Costs</b>					
<b>Fiscal Year</b>	<b>Housing Assistance</b>	<b>Supportive Services<sup>1</sup></b>	<b>Contracted Activities<sup>2</sup></b>	<b>Direct Services Costs<sup>3</sup></b>	<b>Administration Costs<sup>4</sup></b>
2014-15	\$ 1,232,644 (4.16%)	\$ 849,581 (2.86%)	\$ 2,568,370 (8.66%)	\$ 372,572 (1.26%)	\$ 98,178 (0.33%)
2015-16	\$ 2,934,952 (9.84%)	\$ 1,552,989 (5.20%)	\$ 5,282,256 (17.70%)	\$ 723,398 (2.42%)	\$ 147,436 (0.49%)
2016-17	\$ 3,308,439 (8.29%)	\$ 1,084,349 (2.72%)	\$ 7,038,072 (17.63%)	\$ 993,794 (2.49%)	\$ 168,767 (0.42%)
2017-18	\$ 3,772,564 (10.33%)	\$ 1,213,132 (2.59%)	\$ 6,698,041 (14.28%)	\$ 855,412 (1.82%)	\$ 211,643 (0.45%)
2018-19	\$ 4,600,059 (12.86%)	\$ 1,142,077 (2.57%)	\$ 6,349,773 (14.26%)	\$ 493,381 (1.11%)	\$ 173,539 (0.39%)
2019-20	\$ 6,034,570 (12.86%)	\$ 939,264 (2.00%)	\$ 6,642,353 (14.16%)	\$ 628,719 (1.34%)	\$ 200,463 (0.43%)
2020-21	\$ 5,134,735 (10.58%)	\$ 716,023 (1.48%)	\$ 9,002,461 (18.55%)	\$ 426,981 (0.88%)	\$ 174,162 (0.36%)
2021-22	\$ 9,822,177 (20.78%)	\$ 871,408 (1.84%)	\$ 9,679,583 (20.48%)	\$ 437,874 (0.93%)	\$ 271,249 (0.57%)
2022-23	\$ 16,415,893 (31.82%)	\$ 1,380,631 (2.68%)	\$ 10,242,240 (19.85%)	\$ 633,663 (1.23%)	\$ 194,912 (0.38%)

<sup>1</sup> Supportive Services include client transportation costs, ancillary costs associated with program participant education, and other supportive services.

<sup>2</sup> Contracted Activities include contracted activities in support of programs for employed and unemployed participants and work related training expenses for unemployed program participants.

<sup>3</sup> Direct Services include assessment, domestic abuse services, and other services.

<sup>4</sup> Administration costs include operational costs, caseworker reimbursement, and overtime.

CalWORKs Family Stabilization – Total Program Costs				
Fiscal Year	Allocation	Expenditures	County Allocation Remaining Balance*	% Spent
2013-14	\$10,836,000	\$6,030,650	\$4,805,350	55.65%
2014-15	\$29,654,004	\$22,322,081	\$7,331,923	75.28%
2015-16	\$29,840,000	\$38,143,076	(\$8,303,076)	127.83%
2016-17	\$39,913,000	\$47,108,226	(\$7,195,226)	118.03%
2017-18	\$46,920,000	\$47,793,111	(\$873,111)	101.86%
2018-19	\$44,525,101	\$46,462,846	(\$1,937,745)	104.35%
2019-20	\$46,920,000	\$47,581,212	(\$661,212)	101.41%
2020-21	\$48,518,000	\$48,321,910	\$196,090	99.60%
2021-22	\$47,272,000	\$51,836,854	(\$4,564,854)	109.66%
2022-23	\$51,597,000	\$60,408,905	(\$8,811,905)	117.08%

*Expenditures for FY 2021-22 and FY 2022-23 are pending fiscal year end close out process which takes place approximately two years after the end of the expenditure period.*

*\*Negative amounts displayed here reflect funds paid by Counties.*

### Panel

#### Requests and Questions for the Panel:

- ◇ Please describe this program and why it is, on the substance of the program, being proposed for elimination?
- ◇ What will happen to unstable families – by definition, those who are served by this program – if the CalWORKs Family Stabilization Program is eliminated?
- ◇ What have been the trends in needs addressed in this program? What are the expenditure/utilization trends?
- ◇ Has the program been successful in stabilizing families and removing barriers to CalWORKs program participation?
- ◇ What has been the effect in counties of the Governor's elimination proposal, in spite of action not yet being taken? What concerns does the state have about adverse impacts related to Cal-OAR implementation and the progress that counties have been making to improve the program for more families in the depths of poverty?
- ◇ Given the proposed program funding elimination alongside the intention to pursue the FRA pilots, how does CDSS intend to make progress toward outcomes on "family stability and well-being" that the Health & Human Services Administration intends to establish?
- ◇ What has been the advocate reaction to the Governor's proposal?

- Kim Johnson, Director, California Department of Social Services
- Joy Perrin, Parent Advocate, Student Parents Are Reimagining CalWORKs (SPARC) and CalWORKs Association
- Maria Rodriguez-Lopez, Deputy Director, Case Management Services, Fresno County Department of Social Services
- Rebecca Gonzales, Policy Advocate, Western Center on Law & Poverty
- Barri Dommer, Social Work Supervisor II, Family Stabilization, Santa Cruz County
- Emily Marshall, Finance Budget Analyst, Department of Finance
- Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

### LAO Comments

The LAO states that eliminating the Family Stabilization (FS) program may disproportionately and negatively impact families in crisis. Because counties have some flexibility in the administration of local FS programs, limited data exist on statewide program outcomes. However, anecdotal evidence suggests some counties' FS services have helped recipient families exit unsafe situations, secure stable housing, avoid WTW sanctions, and address barriers to work. In the absence of identifying alternative resources, eliminating the FS program would likely limit the amount of support and types of services counties can provide to their highest-need CalWORKs clients.

The LAO also asserts that the Governor's CalWORKs solutions largely focus on program elements that support families with higher needs. While comprehensive outcome information on these programs is not available, these particular reductions could create additional barriers to employment for these families. If the Legislature chooses to preserve these programs, the LAO suggests that it could instead begin exploring opportunities to right-size funding for some CalWORKs programs or components given the significant budget problem. In general, the LAO recommends the Legislature exercise caution when assessing the proposed current year reductions to CalWORKs funding, as many of the Governor's proposed current-year solutions within CalWORKs are unlikely to materialize in full. The LAO also recommends that the Legislature begin considering potential responses to upcoming federal changes, which will impact various CalWORKs components in 2025-26.

Additionally, the LAO has provided the following comments.

**Assessing Proposed Reductions.** As described in our *Overview of the Governor's Budget*, the Legislature faces difficult budget decisions this year and likely more in the future. The administration has not offered justification around why the specific CalWORKs program elements described above are proposed for reduction, aside from indicating they are part of the overall package of budget solutions necessary to address the estimated budget deficit. Notably, across the budget, there are few program areas where the Governor proposed ongoing programmatic cuts to established programs. The proposed ongoing CalWORKs reductions, alongside similar proposed ongoing reductions to child welfare funding, are unique in this way. At the same time, given the significant budget problem facing the state, ongoing programmatic reductions will be necessary. In addition, for any of the Governor's proposed budget solutions

the Legislature chooses to reject, it will need to solve for that portion of the budget problem in another way. Accordingly, we recommend the Legislature begin considering which solutions within the CalWORKs program and across the budget might align best with its goals.

**Staff Comments**

**Staff Recommendation:** Hold open.

**Issue 4: CalWORKs: Governor's Proposal to Eliminate Subsidized Employment Program****Governor Proposes Elimination of CalWORKs Subsidized Employment Program, Which Builds Job Skills for CalWORKs Parents.**

The Expanded Subsidized Employment (ESE) program provides optional funding to counties, above what is provided in the single allocation, for local subsidized employment programs and partnerships. ESE replaced the original CalWORKs Subsidized Employment Program, which was implemented in 2008, in 2013 and is now the only CalWORKs program providing dedicated subsidized employment funding. Counties may fully or partially subsidize the wages of some CalWORKs recipients for six months to a year—making it less costly for an employer to hire a CalWORKs participant compared to a non-CalWORKs participant. As of December 2020, 52 counties were participating.

The Governor's budget proposes to eliminate \$134.1 million in ESE funding in 2023-24 and ongoing. Recent spending plans provided about \$134 million in ESE funding annually.

Counties determine locally which CalWORKs participants to prioritize for subsidized employment opportunities. For example, some local programs target CalWORKs recipients with little or no work history, those experiencing barriers to work (such as limited English proficiency, arrest history, or lack of job skills), or students completing educational or vocational programs. Program goals generally include promoting skill development and helping participants obtain and transition to unsubsidized employment. In 2022-23, about 1,240 individuals participated monthly, or about 1 percent of all CalWORKs recipients with WTW requirements. ESE caseload dropped significantly at the height of the COVID-19 pandemic due to worksite restrictions, but began rebounding in 2021-22. County representatives indicate some counties have been focused on reengaging participants and employers in the program. While ESE caseload has not yet reached pre-pandemic levels, participation continues to increase in 2023-24.

The following information has been provided by CDSS.

Welfare to Work participants can take part in a number of different activities such as employment activities (subsidized and unsubsidized employment), vocational education, job search, job readiness activities, work experience, community service, job skills training, adult basic education, secondary school, and barrier removal activities. While in an ESE placement the CalWORKs recipient obtains specific skills and experiences relevant for employment in a particular field, with the goal of obtaining permanent unsubsidized employment with the participating employer. Counties partner with employers, nonprofits, and local public agencies to match recipients with jobs.

ESE has been an effective strategy for increasing skills and work experience, leading to unsubsidized employment and higher earnings for CalWORKs participants. The following are earnings of CalWORKs recipients before, during, and after the subsidy. This is based on a cohort of participants who entered and exited the program in 2019-20 and had employer reported income during this time:

- Before-ESE Median Quarterly Income.....\$2,630
- During-ESE Median Quarterly Income.....\$4,038
- Post-ESE median Quarterly Income.....\$5,348

The ESE program serves approximately 8,250 CalWORKs recipients per month. Alternative subsidized employment opportunities may be available through the Workforce Innovation and Opportunity Act (WIOA) and California Employment Development Department, although these programs are limited and are not required to serve or prioritize participants of CalWORKs.

<b>Fiscal Year</b>	<b>Work Subsidy</b>	<b>Admin</b>	<b>Other Costs</b>
2013-14	\$ 9,624,382	\$ 1,724,320	\$ -
2014-15	\$ 44,331,447	\$ 11,719,020	\$ -
2015-16	\$ 67,828,549	\$ 20,432,328	\$ 650,486
2016-17	\$ 75,933,259	\$ 28,225,701	\$ 1,526,787
2017-18	\$ 75,869,873	\$ 25,036,911	\$ 204,716
2018-19	\$ 62,291,717	\$ 24,886,673	\$ 220,495
2019-20	\$ 60,642,452	\$ 23,697,873	\$ 360,780
2020-21	\$ 29,959,994	\$ 18,781,318	\$ 209,308
2021-22	\$ 33,133,038	\$ 22,302,635	\$ 505,829
2022-23	\$ 23,199,559	\$ 39,336,169	\$ 471,398

<b>CalWORKs Expanded Subsidized Employment</b>				
<b>Fiscal Year</b>	<b>Allocation</b>	<b>Expenditures</b>	<b>County Allocation Remaining Balance</b>	<b>% Spent</b>
2013-14	\$39,295,000	\$17,703,649	\$21,591,351	45.05%
2014-15	\$134,145,000	\$72,948,254	\$61,196,746	54.38%
2015-16	\$134,145,000	\$108,577,168	\$25,567,832	80.94%
2016-17	\$138,308,000	\$130,331,255	\$7,976,745	94.23%
2017-18	\$134,145,000	\$129,795,187	\$4,349,813	96.76%
2018-19	\$134,145,000	\$116,594,720	\$17,550,280	86.92%
2019-20	\$134,145,000	\$110,510,035	\$23,634,965	82.38%
2020-21	\$134,145,000	\$75,288,501	\$58,856,499	56.12%
2021-22	\$134,145,000	\$83,873,101	\$50,271,899	62.52%
2022-23	\$134,145,000	\$90,527,370	\$43,617,630	67.48%

*Expenditures for FY 2021-22 and FY 2022-23 are pending fiscal year end close out process which takes place approximately two years after the end of the expenditure period.*

**Panel****Requests and Questions for the Panel:**

- ◇ Please describe this program and why it is, on the substance of the program, being proposed for elimination?
  - ◇ What will be the real human impacts of this permanent cut?
  - ◇ What barriers do CalWORKs face in terms of educational achievement and what kinds of job skills do they learn in this program? What could take the place of this program if it is cut?
  - ◇ Has the program been successful in helping families secure unsubsidized employment and higher wages?
  - ◇ What has been the effect in counties of the Governor's elimination proposal, in spite of action not yet being taken?
  - ◇ How does the department see this proposed elimination impacting the new federal outcome measures (job entry, job retention, and median earnings)?
  - ◇ What has been the advocate reaction to the Governor's proposal?
- Kim Johnson, Director, California Department of Social Services
  - Lucy Paz Alegria, Parent Leader, Parent Voices San Mateo
  - Susie Smith, Deputy Director of Policy, Planning, and Public Affairs, San Francisco County Human Services Agency
  - Jennifer Greppi, Director of Parent Policy, Parent Voices California
  - Emily Marshall, Finance Budget Analyst, Department of Finance
  - Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

**LAO Comments**

The LAO states that eliminating ESE may impact employment and earnings of some CalWORKs recipients. About 1,240 individuals participated in ESE each month in 2022-23. Additionally, ESE has helped some participants secure higher-paying employment. According to the administration, amongst 2019-20 ESE participants statewide, the median quarterly income before program participation was about \$2,600. While participating in ESE, these participants' median quarterly income was about \$4,000 and after exiting it was about \$5,300.

The LAO has also provided the following comments that apply to the list of cuts proposed by the Governor for CalWORKs, some with particular nexus for this ESE issue.

**Consider if Proposed Current-Year Reductions Will Materialize.** Limited information is currently available on county expenditures of 2023-24 FS, ESE, and eligibility and administration single allocation funding. We recommend the Legislature ask the administration for an immediate update, as well as routine updates going forward, on the expenditure of these funds. This information would provide the Legislature greater clarity on how much in unexpended funds, if any, might be available to be reduced in the current year. FS funding was fully utilized in 2022-23, so if current-year spending continues with no interruption and at a similar rate as previous years, the administration's projected savings from a current-year reduction to FS funds will not materialize. In contrast, counties spent about \$90 million of the \$134.1 million in total funds appropriated for ESE in 2022-23. While larger percentages of annual ESE funds were generally expended before the COVID-19 pandemic, some funds were left unspent in each of the last ten years. If no legislative action is taken to halt current year ESE spending, some savings may materialize, but a full reduction of all 2023-24 ESE funds will not occur.

**Consider Possible Opportunities to Right Size Funding for Program Components.** We recommend the Legislature consider opportunities to reduce funding for CalWORKs programs and components with consistently unspent funds. For example, almost \$40 million in ESE funds, on average, were left unspent annually over the last five years. While these unspent funds will naturally revert back to the General Fund in the future, continuing to fund program components in excess of historical spending levels may unnecessarily tie up funds that could otherwise be used elsewhere or saved. We recommend the Legislature ask the administration for information on recent and historical annual expenditures across CalWORKs programs and components with consistent underspending. With this information, the Legislature might have better clarity into if budget-year or ongoing savings could be created by reducing funding for these programs to better align with spending trends.

#### Staff Comments

**Staff Recommendation:** Hold open.

**Issue 5: CalWORKs: Governor's Proposal to Reduce County Administrative Funding (Single Allocation) and to Eliminate Intensive Case Hours Implementation****Governor Proposes Reduction of Single Allocation Decreased Resources for Eligibility Determination, Program Administration, Employment Services, and Cal-Learn.**

The state provides counties with a “single allocation” to cover most costs associated with CalWORKs aside from cash assistance. The single allocation consists of three main components—eligibility determination and administration, employment services, and Cal-Learn case management (Cal-Learn provides additional services to pregnant and parenting teens participating in CalWORKs). Counties can shift funds between the multiple single allocation components. The eligibility determination and administration component (which is about one-third of the overall single allocation) increases or decreases in set increments based on caseload changes. This formula recognizes most administrative services are provided by full-time county employees and counties cannot rapidly change their staffing levels in response to changing caseload. Specifically, administrative funding changes occur when CalWORKs caseload increases or decreases by about 20,000 families.

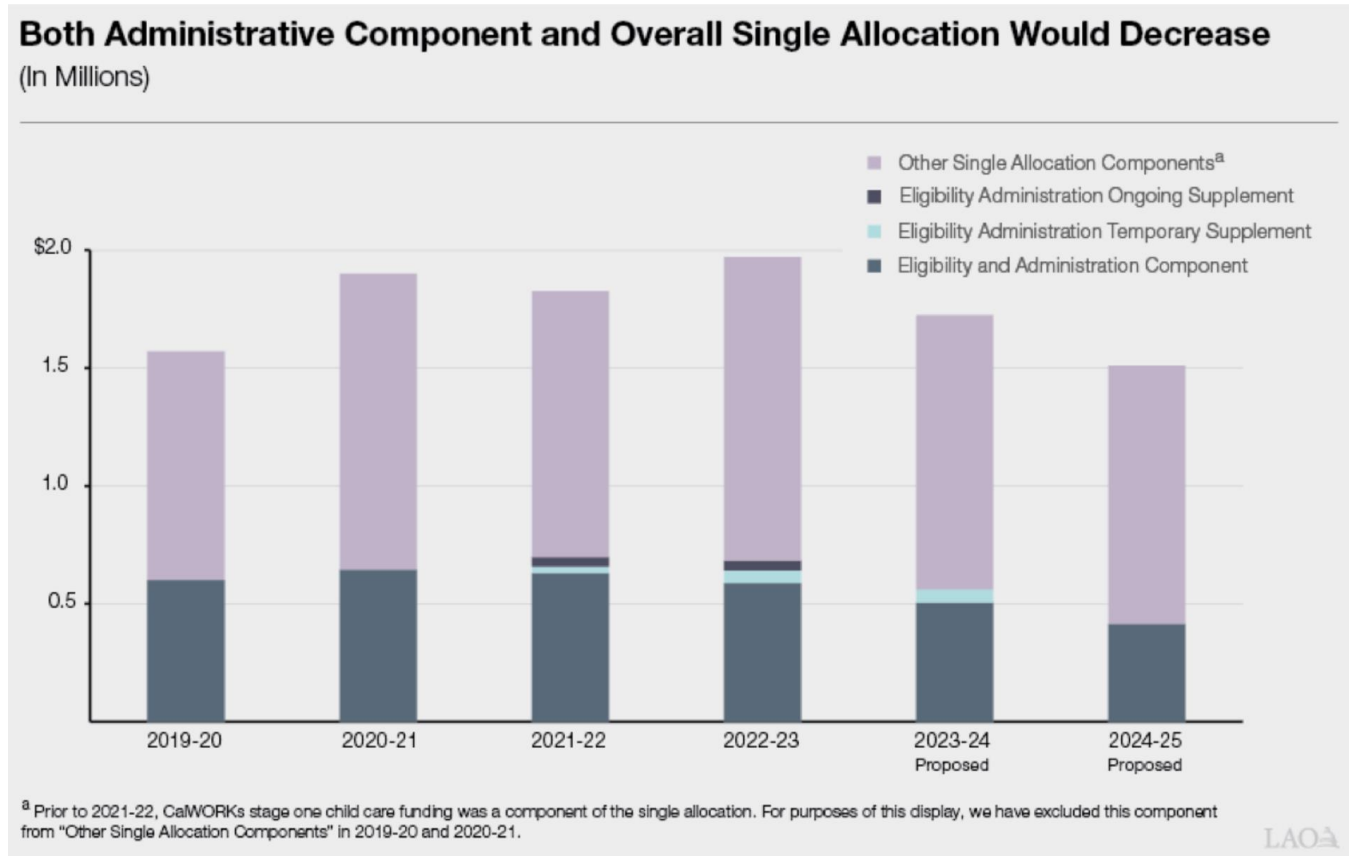
The Governor's proposal eliminates an ongoing \$40.8 million from the Administrative Component of Single Allocation. The administration proposes eliminating the augmentation to the eligibility and administration component of the single allocation (which has been provided annually since 2021-22) beginning in 2023-24. The next figure shows how the proposal would reduce county administrative funding in 2023-24, 2024-25, and ongoing, as well as how overall single allocation funding would decrease due to this reduction and other proposals. When coupled with the expiration of one-time funds, administration component funding would decrease by over 30 percent from 2022-23 to 2024-25.

**Eligibility and Administration Funding Methodology Due for Triennial Assessment.**

The methodology for the eligibility and administration component of the single allocation is scheduled to be reassessed in consultation with counties and the County Welfare Directors Association for 2024-25 and every three years thereafter. The administration indicated it plans to reevaluate the eligibility worker rate and funding for applications independent of caseload. While the Governor's budget does not include funding related to the triennial assessment, the administration plans to reassess in the May revision.

**Proposal Also Reduces Anticipated Intensive Case Management Funding.** Counties receive additional employment services funding through the single allocation for “intensive cases,” or families requiring exceptional support to overcome barriers to employment. According to the administration, in recent years, about 10 percent of CalWORKs cases have been considered intensive. The 2021-22 spending plan provided additional funding to expand the availability of intensive case management and defined intensive case management as consisting of at least ten hours of county staff time per month. The funding and minimum time requirement were designed to ramp up over four years, with the time requirement beginning at 6.25 hours in 2021-22 and increasing by 1.25 hours annually until 2024-25. In 2023-24, the minimum time requirement for intensive cases was 8.75 hours and was scheduled to increase to ten hours in 2024-25. The Governor's budget proposes an ongoing hold on this increase. The administration

projects holding the time requirement at 8.75 hours for 2024-25 and ongoing will result in annual savings of about \$47 million General Fund (as compared to what would have been spent with the increase). Counties would continue to receive \$411 million for the 8.75 hours of intensive case management (through the employment services component of the single allocation).



## Panel

### Requests and Questions for the Panel:

- ◇ Please describe how the CalWORKs county administration will be impacted by this reduction proposal in the Single Allocation.
- ◇ Please describe the how services to CalWORKs applicants and families will be impacted by this proposed reduction.
- ◇ What was the purpose of the investment in intensive case hours and what will be prevented with this cut?
- ◇ How does this cut reconcile with the Cal-OAR work to improve program services for child and family well-being?

- ◇ What has been the advocate reaction to the Governor's proposal?
- Kim Johnson, Director, California Department of Social Services
- Eileen Cubanski, Interim Executive Director, County Welfare Directors Association of California
- Emily Marshall, Finance Budget Analyst, Department of Finance
- Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

### LAO Comments

The LAO states that between 2020-21 and 2022-23, the CalWORKs caseload decreased by over 60,000 families, which normally would trigger three consecutive years of \$27.5 million in funding decreases to the single allocation's eligibility and administration component. However, in recognition of the high level of uncertainty surrounding caseload projections during the COVID-19 pandemic, the state did not decrease funding and instead provided both ongoing (\$40.8 million starting in 2021-22) and temporary (\$27.5 million for 2021-22 and \$55 million for both 2022-23 and 2023-24) augmentations to the base level of administrative funding.

The funding augmentations to the administrative component in 2021-22, 2022-23, and 2023-24 offset the caseload-driven reductions that would normally have occurred each year (under the existing funding methodology). Therefore, eliminating these augmentations would bring current and budget-year funding into alignment with normal levels under the existing methodology. However, county representatives indicated without the augmentations mentioned above, the administrative component's methodology likely would not have kept up with growing local costs. Additionally, since the methodology is scheduled to be reassessed at the May revision, the normal funding level for 2024-25 may change. The Legislature might consider asking the administration if the currently proposed reductions to the administrative component should be viewed as placeholders until the reassessment is complete.

From 2021-22 to 2023-24, over \$300 million in unspent single allocation funds naturally reverted to the General Fund each year. The Governor's budget proposes the early reversion of \$336 million General Fund in unspent single allocation funds from the *2022-23 Budget Act*. The total 2022-23 single allocation appropriation was about \$1.9 billion. These unspent funds would naturally revert to the General Fund in 2025-26. The 2023-24 spending plan also included the early reversion of \$288 million in unspent single allocation funds. Given counties consistently underspent total single allocation funds in recent years, along with the fungibility of single allocation funds between the components, counties may be able to fully fund current activities under the Governor's proposal.

However, county representatives report the proposed administrative component funding amount (\$414 million in 2024-25 and ongoing) may be insufficient to cover administrative costs in some counties. Many administrative activities are statutorily required, so some counties may need to leverage other single allocation funds, especially from the employment services component, to cover necessary administrative costs. Some counties report shifting funds in this way likely would adversely affect the employment services they are able to provide to CalWORKs participants.

**Staff Comments**

**Staff Recommendation:** Hold open.

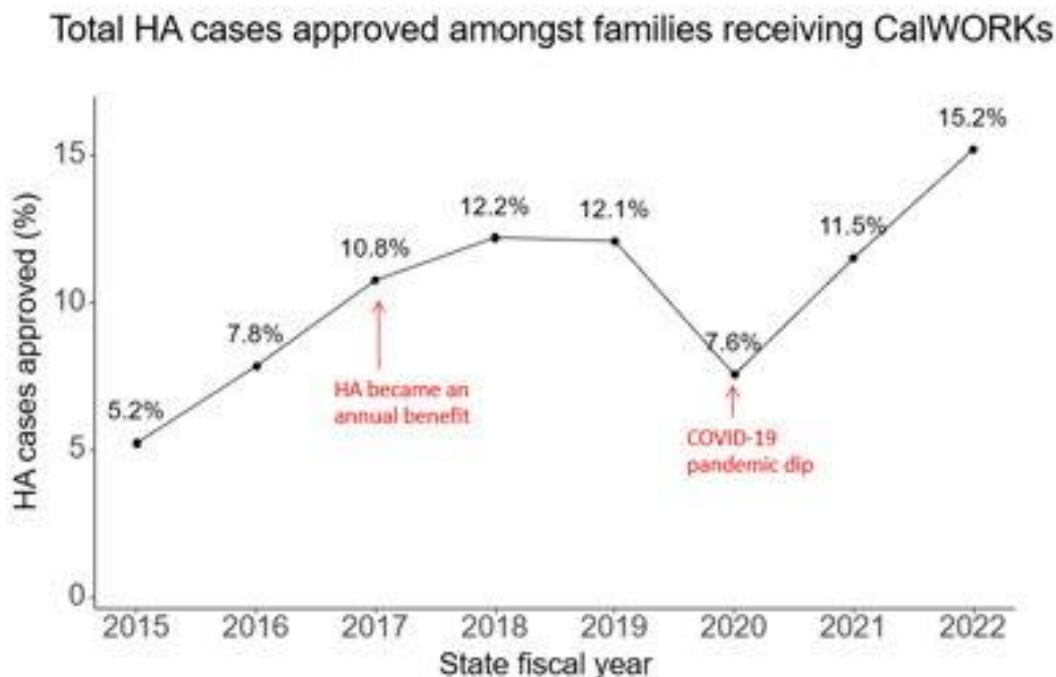
### Issue 6: CalWORKs: Housing and Homelessness in the CalWORKs Population

The Subcommittee requested information on the condition of housing instability and homelessness in the CalWORKs population. These issues are contextual for evaluation of the needs and barriers in the CalWORKs population and for understanding of the possible human impacts of cut proposals in this area. The following information was provided by the CDSS.

Families and individuals who are extremely low-income and/or on fixed income are at risk of housing instability in California. Families that are seeking and receiving CalWORKs may be particularly vulnerable to experiencing housing challenges, including a lack of affordable housing and an increased cost of living.

In a recent analysis using aggregate data over time, CDSS found that the proportion of families on CalWORKs that are approved for Homeless Assistance Program (HAP) and receive eligible referrals for the Housing Support Program (HSP) has tripled since 2015. It should be noted that this analysis tracks HSP and HAP trends separately as there is a high likelihood of duplicate program participants across these aggregate program datasets. HSP operators are encouraged to both accept referrals from HAP programming as well as utilize HAP for eligible families whenever possible.

As seen in Figure 1 and 2 below, the number of CalWORKs families approved for HAP increased from 5.2% in FY 15-16 to 15.2% in FY 22-23, representing over 65,500 families approved for HAP in FY22-23. Meanwhile, the number of CalWORKs families eligible for HSP that were referred to the program increased from 1.6% in FY 15-16 to 4.4% in FY 22-23.



**Figure 1**

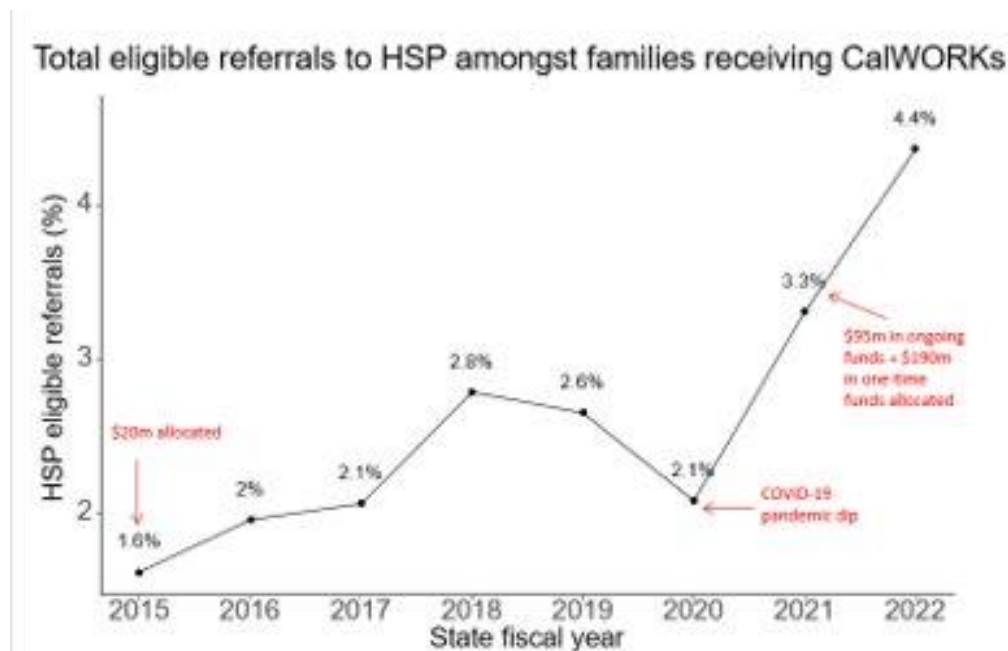


Figure 2

**Homelessness Trend Data.** Counties submit HSP and HAP data reports on a monthly basis and are continually updating their data to be more accurate and complete. As a result, the findings below reflect data collected by CDSS through the end of FY 2022-23, but because grantees may edit previously submitted reports, there may be slight variations compared to other previously published CDSS reports and other supporting documentation.

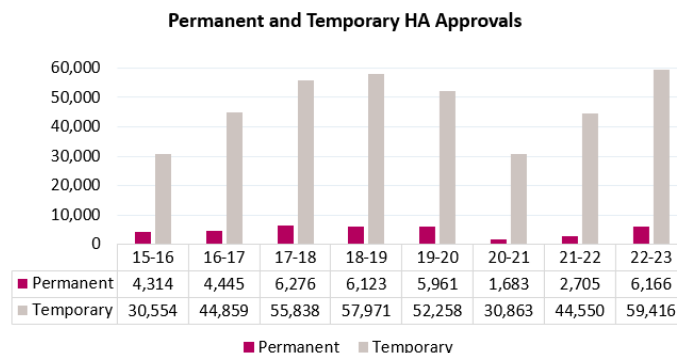
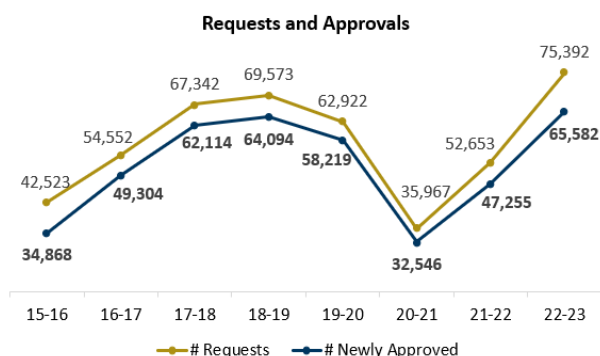
The below table provides information about the total number of participants enrolled in and permanently housed through each program in FY 2022-23 (July 1, 2022 – June 30, 2023). Additional data on each individual program follows.

Summary Outcomes Table: HAP and HSP			
	Total Number of Individuals/Families Newly Enrolled in FY 2022-23	Total Number of Individuals/ Families Served During FY 2022-23 (newly enrolled in FY + continuing participants) <sup>2</sup>	Total Number of Individuals/ Families Permanently Housed in FY 2022-23
Total HA	65,582	-	-
Temporary HA	59,416	-	-
Permanent HA	6,166	-	-
HSP	11,087	18,662	6,009

Some of the clients may have exited the program during FY 2022-23 while others are still enrolled by the time the observation period has ended. As a result, data for clients who are still

enrolled may not reflect their full experience in the housing program as they have not yet had a chance to receive the complete array of services (including housing interventions) as well as to experience outcomes (such as permanent housing placements) by the end of the FY. This results in underestimates in total number of participants that will achieve these outcomes.

CDSS publishes the [CA 237 CalWORKs Homeless Assistance Program](#) monthly statistical report with information about requests and net expenditures.



As can be seen from the “Requests and Approvals” graph above, almost everyone who applies to HAP is approved. Common reasons for denial include that the CalWORKs participant has already received HAP in the last twelve months or does not meet the definition of homelessness or at risk of homelessness.

CDSS saw a large temporary dip in requests and approvals for homeless assistance due to COVID-19 and new COVID-related housing resources. As the pandemic recedes and COVID-related housing resources have ended, we are noting that the number of requests and approvals are rebounding to surpass what we saw pre-COVID.

The bar chart illustrates that while there are two types of HAP program supports – temporary and permanent – the vast majority of those who are approved for HAP receive temporary homeless assistance. Note that access to permanent HAP has increased by 128% between FY21-22 and FY22-23 at least in part due to improved access resulting from SB 1065. Please note, prior to 2017, temporary and permanent HA payments were available once in a lifetime; however, as of January 2017, temporary and permanent HA payments are available once every 12 months, and families may re-enroll due to the following exceptions: (1) domestic violence, (2) a medically verified physical or mental illness, (3) uninhabitability of the former residence caused by sudden or unusual circumstances, or (4) State or Federal declared disasters that are a direct and primary cause of homelessness (including COVID-19). See this CalWORKs HA Fact Sheet for more details.

## Housing Support Program (HSP) Data and Outcomes Summary

Between program inception in 2014 and June 2023:

Clients Enrolled in HSP*	Families Permanently Housed	Percent of Families Exited HSP to Permanent Housing
74,103	40,130	54%

\*This represents total number of HSP referrals that were enrolled into the program, some of which have not yet received an intervention such as rental assistance, prevention services, or other housing stabilization services between enrollment and the end of the reporting period.

**FIGURE 3. HSP REQUESTS/REFERRALS AND NUMBER OF FAMILIES APPROVED BY FISCAL YEAR**

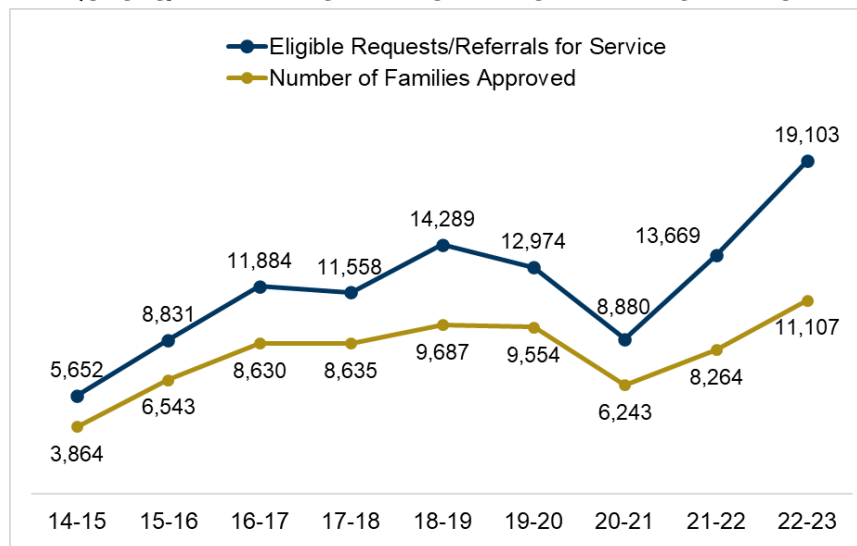


Figure 3 shows an overview of the eligible requests/referrals and approvals for HSP services over time. The statewide total number of eligible requests/referrals for HSP rose in FY 2015-16 and FY 2016-17 after the program more than doubled the number of grantees. Requests/referrals decreased in FY 2019-20 and FY 2020-21 during the height of the COVID-19 pandemic due to the availability of new COVID-related housing resources. However, in the past two FYs, the eligible requests/referrals for services rebounded to surpass pre-COVID-19 need.

### Panel

#### Questions for the Panel:

- ◇ What is the rate, or approximate rate, of homelessness in the CalWORKs population?
- ◇ What have been the trends in housing supports and homelessness over the past several years?

- ◇ What does this data tell us about the condition of families in the program and the barriers these families with children are facing more broadly?
- ◇ What kinds of supports and services does this information argue to increase?
- Hanna Azemati, Housing and Homelessness Division Deputy Director, California Department of Social Services
- Glenda Brownell, Parent Advocate, Student Parents Are Reimagining CalWORKs (SPARC) and CalWORKs Association
- Nolan Sullivan, Director, Yolo County Health and Human Services Agency
- Kevin Aslanian, Executive Director, Coalition of California Welfare Rights Organizations
- Emily Marshall, Finance Budget Analyst, Department of Finance
- Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

**Staff Comments**

**Staff Recommendation:** Hold open.

**Issue 7: CalWORKs: California's Application to Participate in the Federal Fiscal Responsibility Act (FRA) Pilot****Governor Proposes that California Apply to Participate in the Federal Fiscal Responsibility Act (FRA) Pilot.**

In June 2023, President Biden signed into law The Fiscal Responsibility Act of 2023 (FRA), which authorizes a pilot program that will allow up to five states to test a new approach to improving outcomes for families receiving assistance through TANF. States will be held accountable for their performance on employment and earnings outcomes and, at the option of the Health and Human Services Secretary, measures of family well-being. Pilot projects will last for up to six years, including the time needed to establish the performance benchmarks. States in the pilot will not have to meet the WPR during implementation of the pilot and will have more flexibility to design programs and services to address families' individual circumstances and improve outcomes.

DSS expects to receive additional information on the pilot requirements and how to apply in spring or summer 2024. The pilot is expected to begin in October 2024.

The following information has been provided by CDSS.

As recommended in the Report Regarding WPR and California Work Opportunity and Responsibility to Kids (CalWORKs) Outcomes and Accountability Review (Cal-OAR) Optimization, submitted to the Legislature in September 2023, California plans to apply as a pilot state to reform CalWORKs accountability tools and improve outcomes for families.

In November 2023, the federal Administration for Children and Families (ACF) released a Request for Information (RFI) seeking input on the FRA pilot design and selection criteria, as well as implementation considerations for the work outcome measures. CDSS convened a group of interested partners in December 2023 to discuss the FRA pilot opportunity and work outcome measures, as well as to gather input in response to the RFI. CDSS responded to the RFI, providing input on the pilot design and work outcome measures drawing from experience implementing Cal-OAR as well as the recommendations offered during the December 2023 meeting with interested partners.

CDSS anticipates ACF will release guidance on the pilot design and application requirements in Spring 2024. Once further guidance is received, CDSS will again convene interested partners for a generative conversation to inform California's FRA pilot proposal.

Key dates for the pilot include:

- Spring 2024- Administration for Children and Families will release guidance and application for the pilot
- Summer 2024- states will be selected to participate in the pilot

- October 1, 2024- Pilot launch and baseline data collection begins
- Federal Fiscal Year (FFY) 2026-2030- pilot operates
- FFY 2031-2032- final pilot data reported

**Background on Recent Report on Cal-OAR Optimization.** Per Welfare and Institutions Code (WIC) section 10544, CDSS consulted with stakeholders in the fall of 2022 to develop recommendations to address the existing emphasis within CalWORKs on the federal Work Participation Rate (WPR) and the penalty pass-on structure, while optimizing the implementation of the first CalWORKs Outcomes and Accountability Review (Cal-OAR) cycle.

Between December 2022 and January 2023, CDSS facilitated five workgroup meetings. Through the workgroup process, CDSS collected input regarding the emphasis on the federal WPR, California's penalty pass-on structure, and on optimizing implementation of the first Cal-OAR five-year cycle, which takes place from July 2021 through June 2026. Resulting themes included:

- A strong desire from the workgroup for a full repeal of the WPR penalty pass-on,
- Accountability in the form of Cal-OAR performance measures or other metrics to be further explored and established,
- Adopting reforms or making investments to increase supports for families such as reform to reduce the overall number of sanctions, and
- Reducing the financial impact and duration of sanctions for families.

The report contains CDSS' recommendation to the Legislature to apply for the pilot opportunity provided through the FRA, including an alternative accountability framework centered on Cal-OAR, as allowed by pending pilot guidance, to further family outcomes as measured by Cal-OAR.

If California's application is accepted, the state would not be subject to the WPR and any associated fiscal penalties for the duration of the pilot. Therefore, there would not be any penalties to pass-on under the provisions of WIC section 10544 during implementation of the pilot.

Appendix A of the report also includes additional recommendations from the stakeholder workgroup, including policy changes to promote family stability, economic mobility, and well-being.

CDSS has long advocated for alternatives to the WPR, and participation in the FRA pilot will provide California the opportunity to directly influence development and utilization of more holistic performance measures that reflect our shared goals for families participating in CalWORKs. While the pilot seeks to test alternative outcome measures to the WPR, states will

be held accountable for performance in the work and family stability and well-being measures. Therefore, there is an inherent connection between a pilot state's employment and service array, and successful participation in the federal pilot.

### Panel

#### Questions for the Panel:

- ◇ In developing the FRA pilot application, what are the Department's plans to not only utilize Cal-OAR metrics as a baseline, but also achieve improvements in the established alternative family outcomes over the 5-year pilot period?
  - ◇ What programmatic and policy changes are under consideration to achieve improvement in these outcomes? The RFI released by the federal Health & Human Services Administration notes, for example, that state policy choices affect the success of pilots, including sanctions.
  - ◇ If the Family Stabilization Program is eliminated and the Single Allocation is reduced to halt implementation of intensive case hours, would there be an impact to California's success in the FRA pilot? Would the state have to revise its expectations for what it would be able to demonstrate with the pilot?
- Kim Johnson, Director, California Department of Social Services
  - Briana Burks, Parent Leader, Parent Voices Contra Costa County
  - Eileen Cubanski, Interim Executive Director, County Welfare Directors Association of California
  - Andrew Cheyne, Managing Director of Public Policy, GRACE/End Child Poverty California
  - Emily Marshall, Finance Budget Analyst, Department of Finance
  - Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

### LAO Comments

The LAO has provided the following comments that apply to this issue.

**Reductions May Weaken California's Pilot Application and, if Selected, Performance.** In recent years, California has broadened its CalWORKs goals to include program outcomes focused on long-term employment and family well-being. While additional details are needed on the pilot's intended outcome measures, currently available information indicates some outcome measures already used to evaluate the CalWORKs program may be included in the pilot. Eliminating or reducing funding for CalWORKs components or services designed to address these outcomes—such as family stabilization, subsidized employment, and intensive case management—may limit the types of programs, services, and outcomes California can highlight in its pilot application and, if selected to participate, how California might perform along these measures. However, without comprehensive outcome information on these programs, the

size of the impact the proposed eliminations might have on the state's pilot application and potential pilot performance is difficult to predict.

**Consider How Reductions Would Impact Long-Term CalWORKs Goals.** In light of the anticipated budget situation, we recommend the Legislature evaluate its long-term goals for the CalWORKs program. Any type of CalWORKs funding reduction—including those proposed by the Governor—could potentially impact program outcomes and family and child poverty in California. Different components of the program generally support different outcomes (such as employment services primarily supporting work participation and family stabilization services supporting family well-being). The Legislature might begin considering if and how it would prioritize funding—in the budget year and ongoing—amongst the various supports and services the CalWORKs program provides, potentially with an eye towards minimizing negative impacts on outcomes it deems most important to the success of the program and its participants.

**Begin Considering Potential Responses to Upcoming WPR Changes.** As mentioned, state TANF programs must meet WPR requirements or face financial penalties. A state's WPR requirements are reduced via "caseload reduction credits" if the state's caseload declined within a certain period of time. Currently, a state receives a reduction credit if its caseload has declined relative to 2005. Beginning in October 2025, current caseload will instead be compared to 2015 caseload. The CalWORKs caseload was larger in 2015 than in 2005 or in recent years. Therefore, California likely will receive a significant caseload reduction credit in 2025-26. This credit will lower California's WPR requirements and the associated risk of facing financial penalties. The Legislature might begin to consider if and how it would like to respond to this change in 2025-26. For example, since the change may lessen the pressure on the state and counties to meet higher WPR targets, it may present an opportunity to shift some of the state's focus towards other desired outcome measures or goals for the CalWORKs program.

**Consider Future Goals for Work Incentive Nutrition Supplement (WINS) Program.** WINS, introduced in 2014, provides some working CalFresh households (low-income families receiving food assistance) with additional monthly food benefits of \$10. Currently, WINS costs roughly \$25 million annually. Because WINS is an MOE-funded program, WINS households help California meet its WPR requirements. However, the FRA set new rules for programs like WINS. Beginning October 1, 2025, working families enrolled in programs of this nature must receive at least \$35 in monthly benefits to be included in state WPR calculations. As a result, starting in 2025-26, WINS would only help the state meet its WPR requirements if benefits were increased to \$35. This change would increase the annual cost of WINS to roughly \$63 million.

WINS was established with a primary goal of boosting the state's WPR and with a secondary goal of providing additional benefits to working CalFresh families. This upcoming federal change presents an opportunity for the Legislature to reevaluate its goals for WINS moving forward. The Legislature might begin considering if and how it plans to respond to the change in 2025-26. For example, the state could continue to operate the WINS program as-is, regardless of the upcoming change, by continuing to provide \$10 monthly benefits. Alternatively, California could plan to increase WINS monthly benefits in 2025-26 to \$35 to align with the new federal requirement. Finally, the Legislature could eliminate the WINS program altogether beginning in

2025-26, reducing about 125,000 WINS participants' food benefits by \$10 monthly, but generating about \$25 million in annual General Fund savings.

**Staff Comments**

**Staff Recommendation:** Hold open.

**Issue 8: CalFresh, Food for All, and Fruit and Vegetable Pilot Updates**

**Program Background.** This issue will provide background on the state's major food assistance programs, CalFresh and the California Food Assistance Program (CFAP), provide updates on caseload trends, and analyze the Governor's proposed food assistance budget. Under the Governor's budget, there are no proposed cuts or program eliminations for food and nutrition programs. The Legislative Analyst's Office (LAO) has provided the following information.

**CalFresh Provides Federally Funded Nutrition Assistance to Low-Income Californians.** CalFresh is California's version of the federal Supplemental Nutrition Assistance Program, which provides monthly food assistance to qualifying low-income households. To be eligible, households generally must earn less than 200 percent of the federal poverty level. CalFresh benefits can be used to buy most groceries and some prepared food at participating vendors, which include most grocery and convenience stores. Monthly benefits per household vary based on household size, income, and deductible living expenses—with larger households generally receiving more benefits than smaller households and relatively higher-income households generally receiving fewer benefits than lower-income households. In 2022-23, about 5.1 million Californians received a total of \$14.5 billion in CalFresh benefits, all of it federally funded, for an average monthly benefit of about \$185 per recipient. (This average monthly benefit does not include the emergency allotments provided in response to the COVID-19 pandemic, which averaged about \$99 per person. These emergency allotments ended in February 2023.) The federal government annually adjusts CalFresh benefits in accordance with changes in the cost of food, and in addition to this annual adjustment, made a major upward revision in 2021 when it revised the contents of the "Thrifty Food Plan" (the meal plan on which CalFresh benefits are based) to account for developments in nutritional science.

**CalFresh Administration Is Funded by the State, Counties, and Federal Government.** CalFresh is overseen at the state level by the California Department of Social Services (CDSS) and administered locally by county human services departments. Although CalFresh benefits are paid by the federal government, the costs to administer the program are shared by state, county, and federal governments.

**CalFresh Is Administered Through Two Main Systems.** CalFresh eligibility and enrollment is tracked by a single statewide system, the California Statewide Automated Welfare System (CalSAWS). CalSAWS was introduced in 2019 and, as of October 2023, all 58 counties use the system. The federal government helps manage an Electronic Benefits Transfer (EBT) system which deposits monthly benefits for CalFresh and other human services programs onto cards to be used at grocery and convenience store checkout counters.

**CFAP Provides State-Funded Food Assistance to Legal Permanent Residents Not Eligible for CalFresh.** In 1996, Congress passed a welfare reform bill that, among other things, restricted federal food assistance for certain noncitizens. Most notably, legal permanent residents were rendered ineligible for federally funded nutrition assistance until they had resided in the country for five years. The federal government gave states the option to provide state-funded food assistance to populations affected by the 1996 policy change (such as legal permanent residents who arrived less than five years ago). In response, California established

CFAP, which provides benefits through the same EBT and SAWS system as CalFresh. Because CFAP operates through the EBT system, the federal government is directly responsible for depositing funds into the accounts of participating households, and the state reimburses the federal government for these costs. In addition, the federal government charges California for all associated administrative costs. CFAP benefits, which equal those provided by CalFresh, also vary based on household size, income, and deductible living expenses. In 2022-23, CFAP benefits were \$78 million General Fund (\$159 average monthly benefit per person, not including temporary emergency allotments granted in response to the COVID-19 pandemic, which averaged \$84 per person and were provided from March 2020 to February 2023). Some immigrants, such as those who are undocumented, are currently ineligible for CFAP based on immigration status. Recent spending plans included funding to expand CFAP to all income-eligible noncitizens aged 55 and older, regardless of immigration status. Implementation of the expansion is expected in October 2025.

**Other Programs and Pilots Provide Supplemental Benefits and Emergency Food Support.**

The state provides additional support for certain populations. For example, the Summer EBT Program, which is currently planned for implementation in summer 2024, provides summertime food benefits to children in households that qualify for free or reduced-price school meals. The California Fruit and Vegetable EBT Pilot provides CalFresh recipients in pilot counties with a dollar-for-dollar benefit match when they purchase fresh fruits and vegetables at select farmers' markets and grocery stores. The Emergency Food for Families and CalFood Programs provide food commodities and funding for food banks to support Californians during emergencies.

**Total CalFresh and CFAP Funding Increases.** As shown in the next figure, the Governor's budget proposes \$14.8 billion in total funds (\$1 billion General Fund) for the CalFresh and CFAP programs in 2024-25, a net increase of \$186 million total funds (1 percent) and net decrease of \$12 million General Fund (1 percent) compared to the revised 2023-24 budget. This overall increase is the effect of higher underlying costs from growing caseload and increased maximum benefit allotments (after implementation of a federal cost-of-living adjustment on October 1, 2023) partially offset by a decrease in CalFresh intake and administrative costs.

## CalFresh and CFAP Budget Summary

(Dollars in Millions)

	2023-24 Revised <sup>a</sup>	2024-25 Proposed	Change From 2023-24 Revised to 2024-25 Proposed	
			Amount	Percent
<b>CalFresh Households</b>	3,054,600	3,085,200	30,600	1%
<b>CFAP Households</b>	23,800	26,300	2,500	11%
<b>Benefits</b>				
CalFresh Benefits <sup>b</sup>	\$11,884	\$12,107	\$223	2%
CFAP Benefits <sup>c</sup>	99	110	11	12
<b>Subtotals</b>	<b>(\$11,983)</b>	<b>(\$12,218)</b>	<b>(\$235)</b>	<b>(2%)</b>
<b>Administration</b>				
Federal Share	\$1,295	\$1,276	-\$19	-2%
State Share	962	939	-23	-2
County Share	368	362	-6	-2
<b>Subtotals</b>	<b>(\$2,626)</b>	<b>(\$2,577)</b>	<b>(\$48)</b>	<b>(-2%)</b>
<b>Totals</b>	<b>\$14,609</b>	<b>\$14,795</b>	<b>\$186</b>	<b>1%</b>

<sup>a</sup>An additional \$2.9 billion in federal funds were appropriated in 2023-24 for temporary pandemic Electronic Benefits Transfer benefits and associated administration and automation costs.

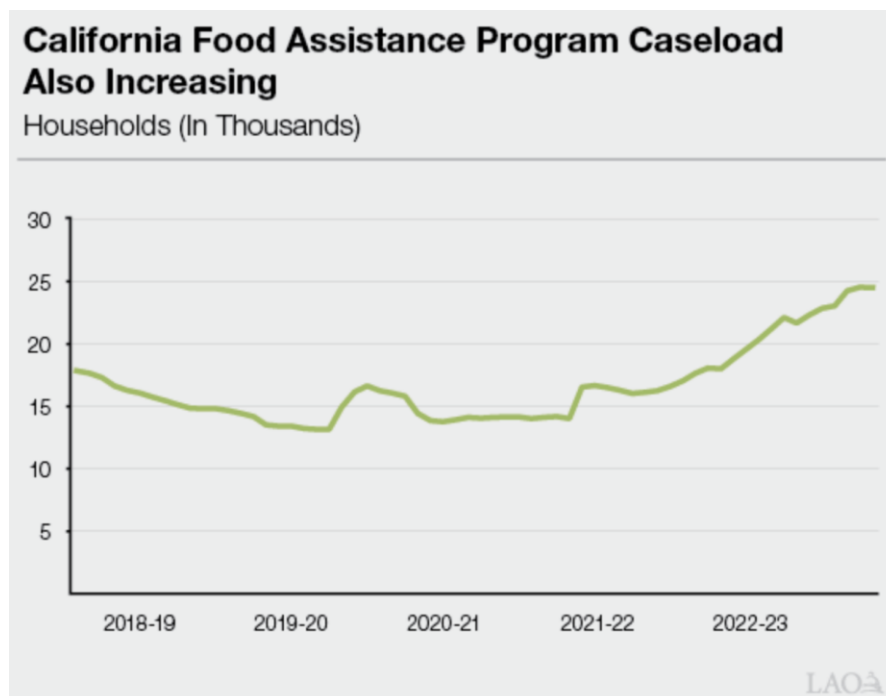
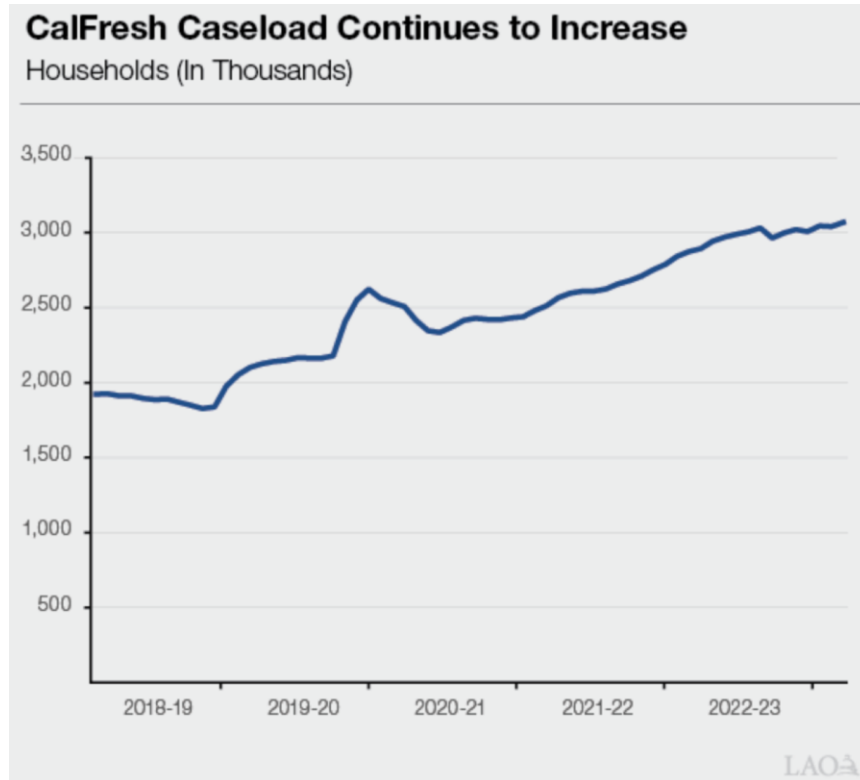
<sup>b</sup>CalFresh benefits are 100 percent federally funded. The Governor's budget estimates an average monthly benefit of \$316 per household. CalFresh benefits also include replacement benefits.

<sup>c</sup>CFAP benefits are 100 percent General Fund. The Governor's budget estimates an average monthly benefit of \$337 per household. CFAP benefits also include replacement benefits.

CFAP = California Food Assistance Program.

**CalFresh and CFAP Caseloads Have Grown in Recent Years.** The next two figures show CalFresh and CFAP caseload increases over the last five years. CalFresh and CFAP caseload have both increased over 40 percent since the beginning of 2019-20, although annual rates of growth have varied from year to year. Multiple factors likely contributed to this growth. First, starting in 2019-20, Supplemental Security Income/State Supplementary Payment recipients became newly eligible to receive CalFresh benefits. Due to this policy change, and a decades-long effort to increase CalFresh enrollment, CalFresh caseload was at an historic high prior to the COVID-19 public health crisis (about 2.2 million households in February 2020). Second, the public health crisis and consequent economic downturn likely led to further caseload increases for both programs. Finally, as mentioned, maximum benefit amounts for both programs increased in the last five years. This increase in benefits also may have made the program more

attractive to recipients relative to the administrative requirements to enroll. This may have made some recipients more likely to enroll or maintain enrollment. In June 2023, CalFresh and CFAP served approximately 3.2 million households total. Both programs' caseloads continue to increase in 2023-24, although initial data suggests CalFresh caseload growth may be slowing.



**Budget Continues to Provide Funding for CFAP Expansion Automation and Outreach.** As mentioned, recent spending plans included funding to begin expanding CFAP to previously ineligible immigrants aged 55 and older, such as income-eligible undocumented immigrants. The 2023-24 spending plan included \$40 million General Fund for automation and outreach associated with the expansion. The Governor's 2024-25 budget proposal shifts some of these funds to 2024-25 and also provides refined automation cost estimates. The budget includes about \$11 million General Fund in 2023-24 and about \$23 million General Fund in 2024-25 for outreach and automation. Implementation of the expansion is expected in October 2025. Because implementation of the benefit is not expected to occur until 2025-26, the Governor's budget does not include General Fund costs to pay for this benefit.

**Budget Updates Cost Estimate for EBT Security Technology Improvements.** In recent years, CalFresh and other benefits loaded onto EBT cards have been subject to increasing levels of theft. When benefits are stolen, recipients may apply to get replacements benefits, which are funded by a combination of state and federal funds. The administration projects this theft will cost the state over \$260 million total funds (\$196 million General Fund) to provide and administer reimbursements in 2023-24. Most of this theft is believed to be accomplished through creating "clones" of EBT cards. EBT card cloning is possible, in part, because EBT cards lack many security features common to debit and credit cards, such as security chips. The Governor's budget includes \$65.8 million (\$20.4 million General Fund) in 2023-24 and \$10.7 million (\$3.5 million General Fund) in 2024-25 to improve EBT card technology and security. The proposal shifts about \$16 million from 2024-25 and 2025-26 to the current year. This funding shift is due to expedited implementation; the projected multiyear cost remains unchanged. The administration currently anticipates that, beginning in May 2024, EBT cards will be issued with chip and tap-to-pay technologies, which provide improved fraud protection over magnetic stripe technology.

**Budget Includes \$1.2 Billion in Mostly Federal Funding for Other CDSS Food Programs.** As shown in the next figure, the Governor's budget proposes over \$1 billion in total funds (\$89 million General Fund) for other CDSS-administered food assistance programs and pilots (some federal or state food programs, like the CDE's Universal Meals Program, are administered by other departments). CDSS food programs with the largest year-over-year changes from 2023-24 to 2024-25 include CalFood, the Summer EBT Program, and the CalFresh Minimum Nutrition Benefit Pilot. CalFood funding is proposed to decrease by \$52 million General Fund due to the expiration of a one-time augmentation. An increase of about \$206 million in Summer EBT Program funding (\$14 million General Fund) largely reflects the impact of a full-year's caseload in 2024-25 (compared to 2023-24 partial-year caseload) as the program implementation continues. The Governor's budget proposes a year-over-year increase of \$14 million General Fund for the Minimum Nutrition Benefit Pilot (which will ensure pilot participants receive, at minimum, \$50 in monthly CalFresh benefits, rather than the current minimum of \$23) to begin providing pilot benefits in 2024-25.

## Proposed 2024-25 Funding for Other CDSS-Administered State and Federal Food Assistance Programs

(In Millions)

Program	Description	Total	Federal	State
CACFP <sup>a</sup>	Reimburses some operators of child care centers, day care homes, and adult day care centers for food served.	\$588	\$579	\$9
Summer EBT Program <sup>b</sup>	Provides food benefits during the summer months to school-aged children qualified for free or reduced-price meals.	501	466	35
TEFAP and Emergency Food for Families <sup>c</sup>	Distributes domestically grown foods to food banks and emergency feeding organizations. Emergency Food for Families supplements existing TEFAP funds.	32	32	1
SNB and TNB Programs	Provide monthly supplemental or transitional benefits to households that saw a decrease in CalFresh benefits or became ineligible for CalFresh when SSI/SSP recipients became newly eligible for CalFresh in 2019.	32	—	32
WINS	Provides a supplemental \$10 food benefit to families who are receiving CalFresh or CFAP, but not receiving CalWORKs assistance, and who are working 20 to 35 hours per week, depending on family composition.	24	—	24
CalFresh Minimum Nutrition Benefit Pilot	Will provide eligible CalFresh recipients with a minimum monthly benefit of \$50 for 12 months. CDSS is in the process of determining the pilot area or population.	15	—	15
CalFood Program	Provides funding for food banks for emergency food and administration.	8	—	8
Tribal Nutrition Assistance Program	Provides grants to eligible tribes and tribal organizations to address food insecurity and inequities between CalFresh benefits and the Food Distribution Program for Indian Reservations.	5	—	5
CalFresh Fruit and Vegetable EBT Pilot	Provides a dollar-for-dollar match up to \$60 per month when CalFresh households purchase fresh fruits or vegetables at select farmers' markets and grocery stores.	3	—	3
CalFresh Safe Drinking Water Pilot	Provides some Kern county CalFresh households who have failing water systems with a time-limited supplemental monthly benefit of \$50 for the purchase of safe drinking water.	2	—	2
<b>Totals</b>		<b>\$1,210</b>	<b>\$1,076</b>	<b>\$134</b>
<sup>a</sup> CACFP is federally funded through the Food and Nutrition Service. The state funding is provided through Proposition 98 and non-Proposition 98 General Fund.				
<sup>b</sup> Summer EBT benefits funding is 100 percent federal. Outreach, administration, and automation funding is 50 percent federal and 50 percent General Fund.				
<sup>c</sup> TEFAP is 100 percent federally funded. Emergency Food for Families funding is 100 percent state tax revenue collections.				
CDSS = California Department of Social Services; CACFP = Child and Adult Care Food Program; EBT = Electronic Benefit Transfer; TEFAP = The Emergency Food Assistance Program; SNB = Supplemental Nutrition Benefit Program; TNB = Transitional Nutrition Benefit Program; and WINS = Work Incentive Nutritional Supplement				

**Continue Monitoring CFAP Expansion.** The administration has not provided the Legislature with recent estimates on how quickly or how significantly CFAP caseload is forecasted to grow after the expansion is implemented in October 2025. An up-to-date estimate on how much the expansion is likely to cost after implementation is also needed, particularly in light of the significant budget deficits expected in the future. The LAO recommends that the Legislature ask

the administration for routine updates regarding the CFAP expansion. These updates should include any changes to the expected time line, caseload estimates, and cost estimates. This information would provide the Legislature greater clarity on the implications of the expansion in the context of continued fiscal constraints.

**Consider Future Goals for Work Incentive Nutrition Supplement (WINS) Program.** Also discussed under the prior issue, WINS, introduced in 2014, provides some working CalFresh households with additional monthly food benefits of \$10. (Currently, WINS costs roughly \$25 million annually.) These households help the state meet a federal California Work Opportunity and Responsibility to Kids (CalWORKs) requirement called the work participation rate (WPR). The Federal Fiscal Responsibility Act of 2023 set new rules for programs like WINS. Beginning October 1, 2025, working families enrolled in programs of this nature must receive at least \$35 in monthly benefits to be included in state WPR calculations. As a result, starting in 2025-26, the WINS program would only help the state meet its WPR requirements if benefits were increased to \$35. This change would increase WINS annual cost to roughly \$63 million.

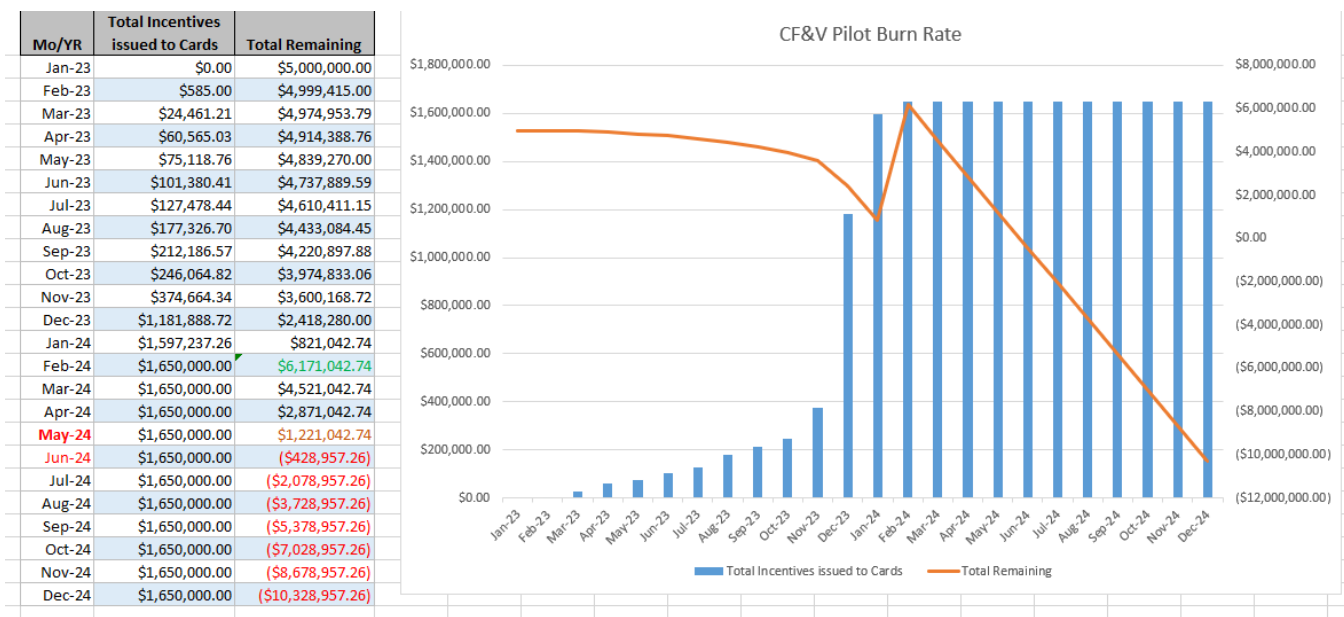
WINS was established with a primary goal of boosting the state's WPR, with a secondary goal of providing additional benefits to working CalFresh families. This upcoming federal change presents an opportunity for the Legislature to reevaluate its goals for the WINS program moving forward. The Legislature might begin to consider if and how it would like to respond to the change in 2025-26. For example, the state could continue to operate the WINS program as is, regardless of the upcoming change, by continuing to provide \$10 monthly benefits. Alternatively, California could plan to increase WINS monthly benefits in 2025-26 to \$35 to align with the new federal requirement. Finally, the Legislature could eliminate the WINS program altogether beginning in 2025-26, reducing about 125,000 WINS participants' food benefits by \$10 monthly, but generating about \$25 million in annual General Fund savings.

**Fruit and Vegetable Pilot Implementation Update.** CDSS has provided the following information in response to a request on implementation details for the Fruit and Vegetable Pilot.

- Fruit and Vegetable Pilot – [ACL 23-18](#) (2/2/23). Extension letter forthcoming.
- CalFresh Fruit & Vegetable Pilot (CF&V) initial funding for incentives was \$5 million, the budget was augmented in 2023 with an additional \$9.2 million (\$7 million currently allocated to incentives) along with the extension of Pilot through January 1, 2027
- CF&V Pilot State functionality went live in production on February 20, 2023
- Pilot Expansion since implementation
  - Farmers Markets went live - Day 1 of State Pilot functionality
  - Harvest Market Retailer (2 Stores) went live 3/1/2023
  - Santa Fe Foods Retailer (3 Stores) went live in Aug 2023 (between 8/7/23 – 8/14/2024)
  - Arteaga's Food Center Retailer (4 Stores) went live on 8/29/23 and 8/31/23
  - Mothers Nutritional Retailer (78 Stores) went live 11/1/23

- Over 60,000 CalFresh households have earned incentives from participating retailers and farmers markets through January 31, 2024, in the following counties:
  - Santa Clara,
  - Alameda,
  - Monterey,
  - Mendocino,
  - Napa,
  - Los Angeles,
  - Orange,
  - Riverside,
  - San Bernardino, and
  - San Diego.
- Through January 31, 2024, over \$4.2 million out of a total of \$12 million has been issued in CF&V incentives. Funds allocated to incentive benefits are anticipated to be expended in the SFY 2023-24. All remaining funds have been encumbered to fund the grants administering the pilot.
- Expenditure Rate Concerns
  - We are working with our EBT and advocate partners to closely track spending and will determine next steps as the balance of funding diminishes.
  - From Go-Live in February through Nov 2023, Pilot reflected a slow increase in utilization, but once Mothers Nutritional went live with 78 stores utilization dramatically increased.
  - As of January 2024, Pilot utilization reached \$1.65 million

Using the limited data since Mothers went live, and utilization of \$1.65M per month for the remaining months, it's estimated that the Pilot will be out of funds between April 1, 2024 and June 1, 2024



**Panel****Requests and Questions for the Panel:****On Food for All:**

- ◇ Please describe the efforts toward implementation of the CalFresh expansion and the expected operative date.

**On the Fruit and Vegetable Pilot:**

- ◇ Please explain how the pilot has operated, in which counties, and how many people have been fed through this pilot?
- ◇ What is the current outreach process for the public to know of the program? How was it decided who would receive the benefits? Is there a waitlist for CalFresh recipients to participate in the pilot?
- ◇ What is the current outreach process for retailers to know about or participate in the program? Are retailers applying or interested? If so, how do retailers participate?
- ◇ What will be the consequences of the pilot ending and when would this occur in the absence of further state investment?

- Jennifer Troia, Chief Deputy Director, California Department of Social Services
- Jared Call, Director of Policy, Nourish California
- Eli Zigas, Food and Agriculture Policy Director, San Francisco Bay Area Planning and Urban Research Association (SPUR)
- Emily Marshall, Finance Budget Analyst, Department of Finance
- Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

**Staff Comments**

**Staff Recommendation:** Hold open.

**Issue 9: Emergency Food Bank Funding and Increasing Demand**

**Program Background.** Emergency food banks are currently funded with \$60 million General Fund, but this amount will reduce to the baseline amount of \$8 million General Fund in 2024-25 and ongoing in the absence of an additional augmentation. The program has received one-time funds to support food banks in meeting emergency food demands throughout California.

Earlier this month, the California Association of Food Banks conducted a pulse survey of its food bank network, asking about the state of food insecurity in their communities and how the food banks are responding to demand for food resources. An alarming three out of four food banks that responded said that they have had to adjust their operations to cope with increased need in their communities, coupled with declining government support and private donations.

Close to 60 percent of food banks are limiting or reducing the variety of food they are offering to clients, and nearly half are limiting the amount of food they are providing to each household. About a quarter of food banks are scaling back on the programs they are offering to their communities. Some food banks are even reporting that they are closing food distribution sites, reducing their paid workforce, or turning away new partners or clients because they simply do not have the resources to continue sustaining their operations at current levels.

Many food banks rely heavily on private philanthropy for their operational costs, however, a shocking 40 percent of food banks reported that they did not meet their fundraising goals in 2023. This, coupled with other factors such as expired federal COVID-related supports like SNAP Emergency Allotments and the expanded Child Tax Credit, and still increasing food insecurity rates, are causing food banks to be in an impossible situation of trying to serve more people with fewer resources.

**State Emergency Food Bank Reserve.** In the fall of 2019, California experienced fires and Public Safety Power Shutoff (PSPS) events at unprecedented levels that affected 30 counties. The PSPS events were an attempt to mitigate against fire disasters, but also caused widespread hardship especially to low-income families as they lost power for refrigeration. These PSPS events ultimately impacted over three million people. In the face of these natural and human-caused disasters, in October of 2019 the CDSS requested to use \$1 million from the state's General Fund to purchase and deliver food to food banks in affected communities, as well as provide reimbursement for some food bank expenses related to emergency response. This effort was called the "State Disaster Food Assistance Program" (SDFAP) and the "[Emergency Food Bank Reserve](#)" was created as the account to fund the program with ongoing replenishment authority.

Since 2019, the funding has helped to support the distribution of food in communities all across California dealing with natural disasters such as explosive fires, extreme rain and floods, and debilitating snowstorms. In just the last two years alone, nine food banks have distributed over 13,000 disaster food boxes to impacted households containing shelf-stable basics that require minimal preparation or cooking equipment. The federal response, if there is one, is often designed to be a lagging support, such as Disaster CalFresh that is not always triggered and requires the restoration of commercial channels. The State Emergency Food Bank Reserve has

filled these critical gaps in the food safety net. However, CDSS currently lacks the legal authority to access this critical account. As of today, the Department is unable to deploy these disaster food boxes that food banks and their communities thought they could rely on.

There is a request of \$3 million one-time General Fund to sustain the program for three years, consistent with funding and distribution levels since the inception of the program in 2019. In addition, to help ensure the smooth operation, avoid delays, and streamline administration of the program, there is a request to place it in the Welfare & Institutions Code where the state's other emergency food programs reside.

### Panel

#### Questions for the Panel:

- ◇ What are the trends in demand for emergency food and is the state able to address increasing hunger in California?
- ◇ What needs does the network of food banks and pantries have?
- ◇ Are there ways for the state to do more to address continuing and increasing hunger?
- Jennifer Troia, Chief Deputy Director, California Department of Social Services
- Becky Silva, Government Relations Director, California Association of Food Banks
- Josué Barajas, Chief Programs Officer, Second Harvest Food Bank, Santa Cruz County
- Emily Marshall, Finance Budget Analyst, Department of Finance
- Sonia Schrager Russo, Fiscal and Policy Analyst, Legislative Analyst's Office

### Staff Comments

**Staff Recommendation:** Hold open.

### Issue 10: Absence of Rapid Response Funding in Governor's Budget

**Program Background.** The Governor is not proposing additional funding for Rapid Response services beyond what was previously provided in prior budgets. The following information has been provided by CDSS.

Since 2019, California Welfare and Institutions Code (WIC) sections 13400-13409 authorize the CDSS *"to administer a rapid response program to award grants or contracts to entities that provide critical assistance to immigrants during times of need."* Over the years, CDSS has used the funding to address immigrant needs arising from changes in federal immigration policies, increased migrant arrivals at the Southwest border, as well as reoccurring natural disasters impacting California immigrants ineligible for federal assistance.

#### RAPID RESPONSE BUDGET SUMMARY

State Fiscal Year	Budget Allocation	Total Awarded Funding
2021-22 (to date)	\$105,200,000	\$105,200,000
2022-23 (to date)	\$175,000,000	\$167,626,304
2023-24 (to date)	\$150,000,000	\$150,000,000
<b>TOTAL</b>	<b>\$430,200,000</b>	<b>\$422,826,304</b>

**Populations Served.** Over the past three budget years, Rapid Response Funding has supported the Border Shelter Services for Immigrants (BSSI) project, the Ukrainian Support Services (USS) project, the Haitian Integration Support Services (HISS) project, the Storm Assistance for Immigrants (SAI) project, and the Opportunities for Youth (OFY) project.

The BSSI project provides funding to nonprofit organizations in San Diego, Los Angeles, Riverside, and Imperial counties. As of December 31, 2023, the BSSI project has served 512,092 migrants by providing shelter operation/oversight services, sheltering wraparound support services, and medical services to foreign nationals admitted and released into the United States at the Southwest Border.

The USS project provided critical case management assistance and temporary housing support to Ukrainian newcomers arriving in Los Angeles, Orange, Sacramento, and San Diego counties after Russia invasion of Ukraine and the ensuing war. This project was implemented prior to Congressional approval of federal funding to support Ukrainian arrivals. The project served 662 individuals through individualized case management, public benefits enrollment, housing identification and placement, donation coordination, referrals to immigration legal services and other supportive activities to ensure Ukrainian newcomers were integrated into their communities.

The HISS project was established in response to the large influx of Haitian immigrants arriving in Southern California with limited social service and housing navigation assistance. It currently funds two nonprofit organizations to provide critical assistance case management to Haitian newcomers at the Southwest Border. By June 30, 2025, the HISS project anticipates serving 1,175 newcomers.

In June 2023, the CDSS began providing disaster relief assistance in counties impacted by the storms across California in December 2022 through April 2023, where federal emergency declarations were approved. The Storm Assistance for Immigrants (SAI) project serves individuals that reside and/or worked in an impacted county, were impacted by the storms, and are ineligible for the activated federal assistance due to their immigration status. As of July 31, 2023, the project funds one program administrator and 18 nonprofit organizations in 25 counties. \$80 million in Rapid Response Funds were allocated towards the one-time direct financial assistance. As of February 2024, a total of 35,168 households consisting of 54,925 individuals received this critical assistance.

Lastly, CDSS Opportunities for Youth (OFY) program awarded Rapid Response funds to six nonprofits and one school district to provide critical assistance and direct services, including case management, navigation, outreach, mental health screenings, translation, and one-time direct financial assistance to Unaccompanied Undocumented Minors (UUM). The federal government continues to release UUM from their care and custody to family or community sponsors in California at high rates. These youth are at risk of trafficking, labor exploitation, and often arrive in communities after experiencing traumatic events in their countries of origin, and during their journey to the United States. Due to the increased number of arrivals and the high vulnerability risk of this population, CDSS continues to fund and expand post-release services that support the family stabilization of these youth and their sponsor.

**Impact of Funding Elimination.** The CDSS states that it is no longer be able to provide these services once authorized funds are exhausted.

Staff notes that while migrant patterns fluctuate on a yearly basis, California experienced a record-high number of arrivals in 2022-2023, serving 188,080 migrants. From April 1, 2021 to October 1 2023, 487,280 migrants received assistance through the Rapid Response Program.

Migrants arriving to the Southern border include those from China, Ecuador, Venezuela, Colombia, Mexico, Egypt, Nicaragua, Guinea and Georgia, among others. In 2023, 24,000 Chinese migrants arrived at the San Diego border compared to 451 in 2021. On-the-ground responders are forced to rely on a fluctuating volunteer force and inaccurate translation apps to communicate with Asian migrant arrivals. San Diego County noted that 42,000 migrants were released to the county in just two months.

#### Panel

#### Questions for the Panel:

- ◇ What will be the impacts of the ending of Rapid Response funding at the border?
- ◇ How will the state respond to the needs of migrants in the absence of these funds?
- Eliana Kaimowitz, Acting Director, Office of Equity and Branch Chief, Immigrant Integration Branch, California Department of Social Services

- Kate Clark, Senior Director of Immigration Services, Jewish Family Service of San Diego
- Thomas Locke, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

**Staff Comments**

**Staff Recommendation:** Hold open.

**Issue 11: Immigration Services: Governor's Proposal to Eliminate Temporary Protected Status (TPS) Services Program Elimination**

**Program Background.** The Governor is proposing a reversion of \$10 million General Fund in 2023-24 for the Temporary Protected Status (TPS) Services program and a reduction of \$10 million General Fund in 2024-25 and ongoing, eliminating all resources for this program. The following information has been provided by CDSS.

Beginning in State Fiscal Year (SFY) 2018-19, Temporary Protected Status (TPS) Immigration Services received a \$10 million annual allocation to provide supportive services for Temporary Protected Status individuals, unaccompanied minors, as well as other populations as needed. The cumulative \$30 million from the last three years have been fully encumbered.

This allocation has been used to augment or supplement services provided under the Immigration Services Funding. The TPS funding has supported equity and capacity projects and special initiatives that increase nonprofit capacity to provide services for hard-to-reach populations, to deliver a specialized type of legal services, and/or increased immigration services in regions with limited existing service providers. Specifically, this funding has been used for equity and capacity initiatives for Asian American Pacific Islander Immigrants, Black Immigrants, and Temporary Protected Status individuals. These populations are often harder-to-reach and/or particularly vulnerable due to their immigration status. In prior years, the funding has also been used to provide immigration training to local public defenders and community education on "public charge," a legal immigration rule that has historically dissuaded those in need from accessing public benefits. In more recent years, a portion of the allocation has been used to fund Removal Defense services for adults and minors, with some additional funding provided through the Immigration Service Funding allocation.

Services provided through this funding include legal consultations, application assistance for immigration benefits, legal representation in court or administrative immigration proceedings, education and outreach to immigrant communities, legal training and technical assistance and capacity building funding for immigration legal service providers.

**Populations Served**

- During the first two years of the Asian American Pacific Islander project (APIP), 211 clients received legal services and 3,766 individuals were reached by education and outreach. Four organizations are funded in this program.
- The Black Immigrant and Refugee program has helped over 600 clients with legal services and reached 15,123 clients with education and outreach. Six organizations are funded in this program.
- In FY 2022-23, the funding has provided over 2,500 legal services for individuals with temporary protected status.

- In SFY 2018-19 & SFY 2019-20, TPS Immigration Service funding supported outreach and education efforts to help immigrant populations understand public charge, reaching over 40,000 individuals.
- In State Fiscal Year (SFY) 2022-24, the CDSS redesigned the removal defense program with input from legal services providers to improve the delivery services. In the first year of services, partners are representing 300,885 clients in their removal or “deportation” cases.

**Impact of Funding Elimination.** A reduction in TPS funding will impact the network of state-funded immigration services provider across the state who currently provide pro bono immigration services and the immigrant populations they serve. The ongoing annual Immigration Services Funding State Budget allocation of \$45 million will continue to fund a core network of immigration service providers across the state, as well as any ongoing or future equity or capacity initiatives. Removal Defense services will continue to be funded at current levels through Spring of 2025. After that time, the CDSS may need to consider no longer funding these services or setting aside a portion of the \$45 million to continue these services on a smaller scale. Fewer immigrants may receive legal immigration services due to this reduction in funding if nonprofit organizations are unable to find other funding sources, such as philanthropy or local government funds.

#### Panel

#### Questions for the Panel:

- ◇ What are the real human impacts of this cut and why was it chosen?
- ◇ What will be the alternatives for individuals impacted if the cut in TPS services is made?
- ◇ What has been the advocate reaction to the Governor’s proposal?
- Eliana Kaimowitz, Acting Director, Office of Equity and Branch Chief, Immigrant Integration Branch, California Department of Social Services
- Bruno Huizar, Detention and Deportation Policy Manager, California Immigrant Policy Center
- Thomas Locke, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst’s Office

#### Staff Comments

**Staff Recommendation:** Hold open.

## Issue 12: Immigration Services: Governor's Proposal to Reduce Funding for the California State University Legal Services Program

### Overview of California State University Legal Services Program.

**Program Overview.** The Governor is proposing to revert \$5.2 million General Fund in 2023-24 for the California State University (CSU) Legal Services Program (CISP) and makes a reduction of \$5.2 million General Fund in 2024-25 and ongoing. The Governor's proposal would maintain \$1.8 million ongoing General Fund for the CISP. Beginning in March 2019, the CISP offers free immigration legal services to students, faculty, and staff at 23 CSU campuses, with priority given to undocumented students. Since 2018-19, over \$27 million has been given to six-nonprofit organizations for legal services, legal training, and technical assistance. The following information has been provided by CDSS.

The CDSS implemented the CISP in Mach 2019. The program's first three months were dedicated to building relationships between the legal services providers and the campus staff and hiring the legal staff to deliver the immigration legal services. Services officially began in the Summer of 2019. The services categories initially included legal consultations, application or renewal assistance or Deferred Action for Childhood Arrivals (DACA), application assistance for naturalization, application assistance and/or legal representation to obtain affirmative immigration remedies, and assistance with other immigration processes or applications. Initially, this project only served students, staff, and faculty. However, it has since expanded to include immediate family members, alums within two years of graduation, and students who intend to enroll. The service categories have also expanded to include Removal Defense services.

The following table includes participation rates since the program's inception.

Service Period	Legal Consultations	DACA	Naturalization	Affirmative Immigration Remedies	Other Immigration assistance	Education & Outreach	Removal Defense
3/01/19 – 2/28/20	2,149	799	43	104	0	1,570	0
3/1/20 – 2/28/21	2,643	989	70	175	206	6,245	78
3/1/21 – 12/31/21	1,391	667	31	183	249	3,036	48
1/1/22 – 12/31/22	3,078	1,102	58	232	570	5,921	28
1/1/23 – 8/31/23	2,364	840	45	234	658	3,390	33
<b>TOTAL</b>	<b>11,625</b>	<b>4,397</b>	<b>247</b>	<b>928</b>	<b>1,683</b>	<b>20,162</b>	<b>187</b>

**Populations Served.** The CISP prioritizes serving undocumented students but also serves eligible persons in mixed-status families and those with temporary statuses. As of August 31, 2023, this project has provided direct legal services to nearly 20,000 individuals and education and outreach services to over 20,000. Most of the individuals who received services under this project were students (68%), followed by faculty/staff (15%), family members (13%), and alums (4%). The individuals served under this project came from many countries, including Mexico,

Peru, the Philippines, South Korea, Honduras, Guatemala, El Salvador, Colombia, Brazil, and Cambodia.

**Impact of Funding Elimination.** With the proposed reduction in funding, CDSS will assess the current program design and determine the most effective service delivery model in partnership with the legal services providers and the CSU Chancellor's office. A reduction in funding will reduce the number of individuals served. The services, populations, and campus prioritization will be determined with our CSU partners. Because our current funding awards cover a year and a half, we expect to have time to design a new model of immigration service delivery.

CDSS states that factors external to it, such as backlogs at U.S. Citizenship and Immigration Services (USCIS) and immigration courts and federal law and policy changes, impact how quickly cases can be resolved. CDSS states that it will work with the legal services providers to determine which active cases would remain part of the program when transitioning to a different funding model and which might be able to move to other state-funded services such as the Immigration Services Funding services.

#### Panel

##### Questions for the Panel:

- ◇ What are the real human impacts of this cut and why was it chosen?
- ◇ What will be the alternatives for individuals impacted if the cut in legal services is made?
- ◇ What has been the advocate reaction to the Governor's proposal?
- Eliana Kaimowitz, Acting Director, Office of Equity and Branch Chief, Immigrant Integration Branch, California Department of Social Services
- Jackie Gonzalez, Policy Director, Immigrant Defense Advocates
- Thomas Locke, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

#### Staff Comments

**Staff Recommendation:** Hold open.

**Issue 13: Immigration Services: Oversight of Stop the Hate Funding**

**Program Overview.** State funds have been appropriated for Stop the Hate (STH) services, as outlined in the table on the next page. The Governor is not proposing additional funds for these purposes. The following information has been provided by CDSS.

The CDSS Hate Incidents Unit within the Office of Equity, Civil Rights, Accessibility, and Resource Equity Office is responsible for the development, implementation, and evaluation of programs to provide services to survivors of hate incidents and hate crimes and engage in effective community-based hate incident prevention efforts. This summary provides an overview of the Hate Incidents Grant Program, which includes the STH and Transformative Grant funding programs.

California Government Code Section 8260 authorizes CDSS, in consultation with the Commission on Asian and Pacific Islander American Affairs (CAPIAA), to administer the Hate Incidents Grant Program to provide grants to qualified organizations to provide support and services to victims and survivors of hate incidents and hate crimes and their families and facilitate anti-hate prevention measures. These funds are administered through the STH and Transformative Grant programs.

**Services Funded through STH.**

- Direct Services, including mental health and complementary health services; wellness and community healing; legal services; navigation, case management, and referral.
- Prevention Services, including arts-based and other cultural work that deepens understanding and empathy; youth development; senior safety and ambassador/escort programs; individual and community safety planning; training, including bystander training and other de-escalation techniques; working across racial groups and other impacted populations to strengthen alliances and promote understanding.
- Intervention Services, including outreach and training on the elements of hate incidents and hate crimes, services for survivors, and the rights of survivors; community-centered alternative approaches to repair harm from hate incidents and hate crimes; coordination and liaising with local government and other institutional partners; and developing and implementing a coordinated regional rapid response network.

Stop the Hate - Spending Plan				
	FY 2021-22	FY 2022-23	FY 2023-24	Total
<b>Budget</b>				
	\$ 30,000,000	\$ 40,000,000	\$ 80,000,000	\$ 150,000,000
<b>Expenses</b>				
State Operations	\$ -	\$ -	\$ 546,000	SSM 1 Specialist
STH Grants Round 1	\$ 14,269,246	\$ -	\$ -	
STH Grants Round 2	\$ -	\$ 23,693,447	\$ 67,777,793	
Transformative Grants	\$ 15,730,754	\$ 14,607,553	\$ -	
Technical Assistance	\$ -	\$ 1,699,000	\$ 1,000,000	Program Evaluator Contract
Interagency Agreements	\$ -	\$ -	\$ -	
Other	\$ -	\$ -	\$ 1,500,000	Pay Differential for direct service professionals communicating in a language or medium other than English
Total	\$ 30,000,000	\$ 40,000,000	\$ 70,823,793	
<b>Balance</b>				
Remaining Balance	\$ -	\$ -	\$ 9,176,207	

CDSS states that the remaining balance of \$9,176,207 will be used to support the AAPI Commission and Department operations and for the development of a statewide coalition as provided for in AB102, Section 168, Number 14(a):

*Of the funds appropriated in Schedule (2), \$79,454,000 shall be available to the State Department of Social Services for grants to nonprofits or community-based organizations to provide services to victims of hate incidents, including, but not limited to, legal services, health care, mental health, victim's compensation, counseling, or statewide coalition development.*

CDSS indicates that it plans to spend/encumber the remaining balance by June 30, 2026.

**Panel**

**Request for the Panel:**

- ◇ Please describe the details of how these funds have been spent and if there are unspent funds available for claw-back.
- Kim Johnson, Director, California Department of Social Services
- Thomas Locke, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

**Staff Comments**

**Staff Recommendation:** Hold open.

**Issue 14: Related DSS Budget Change Proposals (BCPs) and Trailer Bill Language (TBL)**

- ◇ Improving Operations to Support Immigrant and Refugee Children BCP
- ◇ Refugee Resettlement Increased Staffing BCP
- ◇ CalFresh Employment & Training (E&T) - CalFresh Confirm BCP
- ◇ CalFresh Healthy Living (CFHL) Section Alignment BCP
- ◇ CalFresh Outreach Unit Expansion BCP
- ◇ California Food Assistance Program (CFAP) Overissuance Collection Retention Rates TBL

A short description of each of these proposals in the Governor's Budget is included here. Please see the [Department of Finance's website for more detailed information.](#)

**Improving Operations to Support Immigrant and Refugee Children BCP.** The proposal is for permanent resources, including eight positions, to address new and increased workload of initiatives that support refugee and immigrant children, youth, and families. The cost for this is \$1.627 million (all federal funds) in 2024-25 and \$1.588 million (all federal funds) in 2025-26 and ongoing.

**Refugee Resettlement Increased Staffing BCP.** The proposal is for thirteen (13.0) permanent positions to address new and increased workload of federally funded initiatives that support refugee families. The cost for this is \$2.379 million (all federal funds) in 2024-25 and \$2.315 million (all federal funds) in 2025-26 and ongoing.

**CalFresh Employment & Training (E&T) - CalFresh Confirm BCP.** The proposal is for (1.0) Staff Services Manager I (SSM I) Specialist in the CalFresh & Nutrition Branch to effectively manage current workload and increasing responsibilities, support federal compliance, and maintain implementation of the CalFresh Confirm tool. This position will be funded by Federal E&T funds at 50% and from revenue generated from agreements at 50%. No state General Fund will be utilized.

**CalFresh Healthy Living (CFHL) Section Alignment BCP.** The proposal is for 1.0 Staff Services Manager II (SSM II), 1.0 Staff Services Manager I (SSM I), and 1.0 Associate Governmental Program Assistant (AGPA) and is needed to balance the CalFresh Healthy Living (CFHL) Section's management structure and provide much needed support to the CFHL program. The cost for these positions is \$562,000 in 2024-25 and \$546,000 in 2025-26 and ongoing and these resources will be utilized to effectively split the CFHL Section into two sections, and add a fifth unit in order to increase staffing support and capacity.

**CalFresh Outreach Unit Expansion BCP.** The proposal is for permanent resources for one (1.0) Associate Governmental Program Analyst (AGPA) position to allow for even distribution of workload and timely completion of tasks. The cost for this is \$173,000 in 2024-25 and \$169,000 in 2025-26 and ongoing and will allow the CalFresh Outreach Unit to operate more efficiently at higher capacity to meet the needs of populations who are food insecure and need access to food.

**CFAP Overissuances Collection Retention Rates TBL.** The proposal establishes state and county overissuance collection retention rates for CFAP to align with the federal SNAP program.

**Panel****Request for the Panel:**

- ◇ Please briefly describe each of the BCPs and TBL listed, noting the main purpose of the proposal, any General Fund impact, and the effect if the proposal is not adopted.
- Eliana Kaimowitz, Acting Director, Office of Equity and Branch Chief, Immigrant Integration Branch, California Department of Social Services
- Jennifer Troia, Chief Deputy Director, California Department of Social Services
- Thomas Locke, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

**Staff Comments**

**Staff Recommendation:** Hold open.

This agenda and other publications are available on the Assembly Budget Committee's website at: [Sub 2 Hearing Agendas | California State Assembly](#). You may contact the Committee at (916) 319-2099. This agenda was prepared by Nicole Vazquez.