

SENATE THIRD READING

SB 120 (Committee on Budget and Fiscal Review)

As Amended June 26, 2023

Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY

This is the Human Services Omnibus Trailer Bill, with statutory changes related to the 2023 Budget Act.

Major Provisions

- 1) Summer Electronic Benefit Transfer (EBT) Program. Requires the California Department of Social Services (CDSS), as the lead agency, in partnership with the State Department of Education, to maximize participation in the Summer EBT benefit program and to share data for the limited purpose of administering this program, including, but not limited to, identifying eligible students and evaluating program outcomes. The Budget includes \$47 million (\$23.5 million General Fund) for Summer EBT outreach and automation costs to implement this program for children who qualify for free or reduced-price school meals beginning summer 2024.
- 2) Unlicensed Adoption Agency Enforcement. Repeals the provisions relating to adoption facilitators and expressly states that an adoption facilitator that continues to operate on or after January 1, 2024 is an unlicensed adoption agency. Prohibits a person or organization from engaging in activities relating to adoption unless the person or organization has a valid and unrevoked license to operate as a licensed adoption agency that is authorized to place children for adoption, or the person or organization is exempt from licensure. Specifies the enforcement mechanisms CDSS will undertake to prevent a person or organization from performing any of the functions of an adoption agency without a valid license.
- 3) Office of Systems Integration (OSI) Name Change to the Office of Technology and Solutions Integration. Makes this name change in various parts of the code. The name change is intended to more accurately reflect the role and responsibilities of this office, which facilitates development and oversees implementation of major technology and automation projects integral to the delivery of social safety net benefits, within the California Health and Human Services Agency.
- 4) Short-Term General Fund Loan Authority. Authorizes the Director of Finance to authorize a loan from the General Fund to the California Health and Human Services Automation Fund of \$200 million, if specified requirements are met.
- 5) Administrator Certification Section Training Updates. Deletes the classroom instruction requirement for initial certification and continuing education purposes for administrators of licensed community care facilities, and instead requires instruction that is conducive to learning and allows participants to simultaneously interact with each other as well as with the instructor. Authorizes up to one-half of continuing education hours to be satisfied through self-paced courses, rather than online courses, and make various conforming changes.
- 6) Home Care Program Operations. Revises provisions of the Home Care Services Consumer Protection Act (act) relating to the licensure of home care organizations, including deleting the requirement for a home care organization licensee to provide proof of insurance and bond

coverage at the time of renewal. Requires the CDSS to adopt regulations, on or before January 1, 2026, to require biennial inspections to ensure that licensed home care organizations possess those policies. Specifies that a home care organization license that is not renewed expires two years after the date of issuance. Authorizes the CDSS to prohibit an individual from becoming a registered home care aide or remaining registered on the home care aide registry under certain conditions. Authorizes General Fund to be utilized for the program.

- 7) Home Care Fund Reporting. Requires the CDSS to submit a report to the Legislature, by January 10, 2025, on the solvency of the Home Care Fund, including any new resources, and recommendations on a new fee structure that allows the home care program to be self-sustaining or request any additional resource needs. Requires the CDSS, beginning January 1, 2024, to submit quarterly written progress updates, including information regarding progress within the home care program, to the relevant legislative budget subcommittees and the Legislative Analyst's Office. Makes the quarterly update requirements inoperative on January 10, 2025, or when the department delivers the report on the solvency of the Home Care Fund to the Legislature.
- 8) California Fruit and Vegetable EBT Pilot Project. Extends the sunset date of the pilot from January 1, 2024 until January 1, 2027 and removes the requirement that agricultural products be California-grown. Extends the deadline for the CDSS to submit a report including the results of an evaluation of the pilot projects from January 1, 2022, to September 1, 2025. Requires the CDSS to submit a report to the Legislature by March 1, 2026, regarding the transition of the California Fruit and Vegetable EBT Pilot Project to a supplemental benefits program that is fully state-managed, without grantee intermediaries. The Budget Act includes \$9.9 million General Fund (\$500,000 for state operations costs and \$9.4 million for local assistance) one-time for the CalFresh Fruit and Vegetable Pilot.
- 9) Tribally Approved Homes Modification. Deletes a May 1 deadline for Indian tribes to enter into an agreement with CDSS prior to the fiscal year for which funding is requested related to the Tribally Approved Homes Compensation Program. Instead requires an Indian tribe that seeks funding to submit a letter of interest each year to the department by a deadline established by the CDSS.
- 10) Tribal Dependency Representation Program Revised Methodology. Removes the requirement in the Tribal Dependency Representation Program that the adjusted allocation be based on a methodology considering the number of Indian children in foster care or prospective adoptive placements through the juvenile court. Removes the requirement that the allocation plan be established on or before June 30, 2023.
- 11) Housing and Homelessness Programs Funding. Authorizes the CDSS to utilize no more than \$10,500,000 of the combined one-time funds appropriated in the Budget Act of 2021 and the Budget Act of 2022 for the purposes of the CalWORKs Housing Support Program, the Home Safe Program, the Bringing Families Home Program, and the Housing and Disability Income Advocacy Program, to contract with vendors for the purpose of establishing a system to collect data and track outcomes, and to contract with independent evaluation and research agencies to evaluate the impacts of each of those programs. Authorizes a second allocation of \$10.5 million General Fund from the 2022 Budget Act funds to contract with entities to provide technical assistance for each of the above-stated programs.

- 12) **Housing and Homelessness Programs Reporting.** Requires, by February 1 of each year, the CDSS to report information on the dollar amounts and contracted entities, the number of requests for service, and the number of families or individuals approved to receive program services as applicable to the CalWORKs Housing Support Program, the Home Safe Program, the Bringing Families Home Program, and the Housing and Disability Income Advocacy Program, as well as certain information about the Community Care Expansion Program. Requires CDSS to provide trend information on housing and homelessness needs of communities served by these programs, showing historical changes and changes over time. The Budget includes \$3.5 million ongoing for permanent positions to fulfill the legislative mandates of these programs and provide critical services to individuals experiencing homelessness.
- 13) **Grant Option for Deaf Access Program.** Authorizes CDSS to administer the Deaf Access Program via grants to public agencies or private nonprofit corporations, as an alternative to contracts with those entities. Requires those contracts or grants to be competitively bid pursuant to a request for proposals or applications.
- 14) **Guaranteed Income Pilot Program Payments and Operations.** Exempts all guaranteed income payments from consideration as income or resources for purposes of the California Work Opportunity and Responsibility to Kids (CalWORKs) program. Authorizes the CDSS to implement, interpret, or make specific this provision through all- county letters or similar instructions from the department until regulations are adopted. Authorizes the CDSS to accept and expend funds from any source, public or private, to administer the program. Revises the definition of an eligible entity to also include a tribe, consortium of tribes, or tribal organization, or any combination of these entities.
- 15) **Guaranteed Income Pilot Program and CalWORKs.** Requires the department's evaluation to include the applicability of the lessons learned from the pilot program for the state's CalWORKs program, with the objective of reaching the goals of improved outcomes for families and children living in poverty.
- 16) **Reminder Notice for CalWORKs Redetermination.** Beginning July 1, 2024, or on the date that the CDSS notifies the Legislature that the California Statewide Automated Welfare System (CalSAWS) can perform the necessary automation to implement this change, requires, if contact is not made or the annual certificate of eligibility is not completed, the county to send a reminder notice for CalWORKs redetermination to the recipient no later than 5 days prior to the end of the month. Authorizes the CDSS to implement and administer these changes by all-county letter or similar directive until regulations are adopted, and requires the CDSS to adopt regulations implementing the changes no later than July 1, 2025.
- 17) **Home Visiting Program (HVP) Pregnancy Eligibility Alignment.** Conforms the CalWORKs Home Visiting Program (home visiting program), a voluntary program for the purpose of supporting positive health, development, and well-being outcomes for pregnant and parenting people, families, and infants born into poverty, with enacted statute that provides aid to a pregnant person as of the date of the application for aid. As such, deletes the provision limiting eligibility for the home visiting program with respect to pregnant CalWORKs applicants who have not reached the 2nd trimester. Authorizes the CDSS to implement and administer these provisions by means of all-county letters or similar instructions from the department until regulations are adopted.

- 18) Kin-GAP Program Alignment and Technical Clarifications. Revises provisions relating to eligibility for Kinship Guardianship Assistance Payments (Kin-GAP) and state Kin-GAP aid by defining "approved home of the prospective relative guardian," for purposes of those programs, to include specific references to a relative approved as a resource family or a tribally approved home. With respect to state Kin-GAP, also includes within that definition the home of a relative that has been assessed by the juvenile court and into which the court has authorized placement. Revises the definition of a "relative" under Kin-GAP to include an adult who meets the definition of an extended family member under the federal Indian Child Welfare Act of 1978 (ICWA).
- 19) CalWORKs AB 85 Maximum Aid Payment Increase. Commencing on October 1, 2023, increases the maximum aid payment (MAP) levels in effect on July 1, 2023, by 3.6%. This has an estimated cost of \$111.2 million in 2023-24. These increased costs are funded entirely by the Child Poverty and Family Supplemental Support Subaccount of the 1991 Local Revenue Fund.
- 20) CalWORKs Continuation of 10% Increase in 2024-25 and On-Going and Display Including AU+1. Removes the expiration set for September 30, 2024, thereby extending indefinitely the 10% increase for the CalWORKs maximum aid payments currently in effect, as initially funded in the 2022 Budget Act. Additionally requires the display on grants to show the CalWORKs maximum aid payment amounts compared to 50% of the federal poverty level for the family size that is one greater than the assistance unit (AU), to more closely account for all of the people in the family.
- 21) Provide Housing Supplement for Foster Youth in Supervised Independent Living Placements (SILPs). Commencing July 1, 2025, subject to an appropriation in the annual Budget Act, creates a housing supplement to the basic rate paid for a nonminor dependent placed in a supervised independent living placement. Requires the CDSS to work with the County Welfare Directors Association of California (CWDA) and CalSAWS to develop and implement the necessary system changes to implement the housing supplement. Requires the monthly housing supplement payment to be added to the rate paid to the nonminor dependent and prorated based on the number of days in a month the dependent is in a placement eligible for the supplement. Prohibits an overpayment from being collected on this housing supplement. Requires the CDSS to calculate this housing supplement by November 1 of each year and inform county welfare agencies, by means of all-county letters or similar written instructions, in the month of July of the following year of the amount of the supplement. The Budget Act includes \$1 million in 2023-24, \$200,000 in 2024-25, and \$18.8 million in 2025-26 and on-going, all General Fund, for this purpose.
- 22) Report Regarding the State Supplemental Payments Maintenance of Effort. Requires the CDSS, on or before February 1, 2024, to provide a written communication to the Joint Legislative Budget Committee and the appropriate fiscal and policy committees of the Legislature describing the process that would need to occur in order to switch the method the state uses to meet the federal maintenance of supplementary payment levels requirement for the State Supplementary Program for the Aged, Blind and Disabled from the current payment level method to the total expenditures method. Requires the written communication to include, among other things, a feasible timeline for notifying the federal Social Security Administration of the change. Makes these provisions inoperative on July 1, 2025, and repeals them as of January 1, 2026.

- 23) State Supplementary Program (SSP) 2024 Grant Increase. Subject to an appropriation in the Budget Act of 2023, and commencing January 1, 2024, increases the amount of aid paid under the State Supplementary Program for the Aged, Blind and Disabled (SSP) by a percentage increase calculated by the CDSS and the Department of Finance, and requires those departments to notify specified legislative committees and the Legislative Analyst's Office of the final percentage increase effectuated by the appropriation in the Budget Act of 2023 for the purposes of implementing the increase. The planned SSP increase at the 2023 May Revision is approximately 8.6%.
- 24) In-Home Supportive Services (IHSS) Provider Eligibility for Minor Recipients. Deletes currently codified conditions under which a provider who has the legal duty to provide for the care of their child who is the recipient of supportive services may be remunerated for the services provided. This change will allow IHSS-eligible minor recipients to select a parent or a non-parent as their provider. Requires that these policy changes to minor provider eligibility guidelines are to take effect 60 days after the CDSS issues policy guidance and, if needed, fiscal guidance through all-county letter or similar written instructions. The Budget Act includes \$60.7 million (\$27.9 million General Fund) ongoing for this policy change.
- 25) IHSS Collective Bargaining County Penalty. Beginning October 1, 2023, increases the amount of the 1991 Realignment funding withholding from 7% to 10% of the county's prior fiscal year IHSS MOE requirement and would require that the withholding continue once each fiscal year, until the county enters into a collective bargaining agreement. Specifies the conditions under which this penalty would occur.
- 26) IHSS Wage Supplement. Deletes provisions of law related to the wage supplement to clarify the application of the wage supplements created as part of the IHSS Memorandums of Understanding (MOUs) between counties and IHSS provider unions.
- 27) IHSS Career Pathways Program Reporting Extension. Corresponding to timeline changes in Control Section 11.95 of the Budget Act pertaining to the Home and Community-Based Services (HCBS) Spending Plan, extends the deadline of the IHSS Career Pathways Program final report from December 31, 2024, to September 30, 2025. Additionally extends the operative end date of the pilot program from March 31, 2024, to March 31, 2025.
- 28) Extension of Flexibility in Allocation and Award of Federal Refugee Resettlement Funds. Authorizes the CDSS to allocate federal funds for refugee social services programs to private for-profit organizations. Requires the CDSS to prioritize funding qualified nonprofit organizations and counties over for-profit organizations. Requires the CDSS to track and document the funding provided to each type of service provider and the purposes for use of the funding, and to report this information to the appropriate fiscal and policy staff of the Legislature on a semiannual basis.
- 29) Immigration Legal Services Clean Up. Removes the requirement that contracts provide for legal services to unaccompanied minors on a fee-per-case basis and instead requires the CDSS to determine the funding method. Allows grants to be used to provide immigration benefits and authorizes the CDSS to approve a nonprofit legal service organization to receive a grant if it has at least three years of experience and has conducted trainings on immigration issues for persons beyond its staff.

- 30) Home Safe Program Technical Changes. Expands the definition of "adult protective services" to include activities performed in accordance with tribal law or custom, on behalf of older and dependent adults who have come to the attention of a tribe, or tribal entity or agency, due to potential abuse or neglect. Defines "older adult" for purposes of the program to mean any person residing in this state who is 60 years of age or older and, for individuals receiving services from a tribe, or tribal entity or agency, any person residing in this state within the age range established by tribal law or custom for tribal programs serving needy and vulnerable older adults. Additionally extends the exemption period for required matching funds to June 30, 2025.
- 31) Child Welfare Services – California Automated Response and Engagements System (CWS-CARES) Project. Replaces various references to CWS-NS with updated references to the Child Welfare Services – California Automated Response and Engagement System (CWS-CARES). Makes declarations of legislative intent for the CWS-CARES information technology (IT) project to meet specified objectives, intended to align with the scope approved in the most recent Special Project Report for the system. Those objectives include, among others, replacing the CWS/CMS with a federally compliant Comprehensive Child Welfare Information System, incorporating relevant end-user feedback into product design, development, and implementation, and limiting any additional delays to the project design, development, and implementation that could lead to federal noncompliance penalties or the potential loss of federal funding. Makes additional findings and declarations with respect to the need for ongoing oversight of the CWS-CARES IT project by the Legislature and designated state departments, and updates and expands existing oversight criteria. The criteria includes, among others, requiring the department and the Office of Technology and Solutions Integration to convene monthly meetings with specified government entities, and to submit monthly project status reports to the Legislature and other relevant stakeholders, including updates on the progress made toward successful completion on the project and other prescribed information.
- 32) Bringing Families Home Program Technical Changes. Expands the definition of "child welfare services" to include those services provided by a tribe, or tribal entity or agency, in accordance with tribal law or custom, if it provides at least one of specified child welfare services. Expands the definition of "homeless" to include an individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence, has no other residence, and lacks the resources or support networks to obtain other permanent housing. Also makes certain changes to the existing definition of "permanent housing" for purposes of the program. Extend the exception period to June 30, 2025, for the fund-matching requirement. Requires the CDSS to adopt regulations implementing all provisions of the program no later than July 1, 2024.
- 33) Children's Crisis Continuum Pilot Program. Requires that the pilot program be implemented for five years from the date grant recipients are selected. Extends the deadline for proposal submissions from January 31, 2022, to December 1, 2022, and the deadline for disbursement of grant funds from March 31, 2022, to June 30, 2023. Extends the date by which the interim report is due from April 1, 2025, to April 1, 2027. Extends the date that any guidance issued without taking further regulatory action is to be provided from March 2022 to on an ongoing basis during the pilot program.

- 34) CalFresh Safe Drinking Water. Extends the sunset of the Safe Drinking Water Supplemental Benefit Pilot Program from July 1, 2024 to July 1, 2025, allowing the program to provide time-limited additional CalFresh nutrition benefits to residents of prioritized disadvantaged communities that are served by public water systems that consistently fail to meet primary drinking water standards. The Budget Act includes \$3 million General Fund one-time for these purposes.
- 35) CalFresh Minimum Nutrition Benefit (MNB) Pilot Program. Subject to an appropriation by the Legislature, requires the CDSS to administer the CalFresh MNB Pilot Program to provide an eligible household receiving a monthly CalFresh allotment of less than \$50, with an additional 12 months of state-funded nutrition benefits that when added together with the federal allotment, totals no less than \$50 per month. Confers the CDSS with sole discretion to identify additional eligibility criteria and to define the scope of the pilot program, and requires the department to consult with counties and stakeholders to identify and prioritize populations or regions with persistently high levels of hunger. Requires these benefits to be delivered through the EBT system, and, to the extent permitted by federal law, excludes these benefits from being considered income for any means-tested program. The Budget Act includes \$915,000 General Fund for automation and other implementation costs necessary to initiate the CalFresh MNB Pilot Program in 2023-24, and \$15 million to implement the CalFresh MNB Pilot Program in 2024-25.
- 36) Housing and Disability Advocacy Program (HDAP) Technical Changes. Extends the reimbursement waiver and exemption for a grantee to match certain funds through June 30, 2025. Requires the CDSS to adopt regulations for the Housing and Disability Income Advocacy Program as a whole by July 1, 2024.
- 37) Appropriation. Appropriates \$317,000 in federal funds for the implementation of Family Code Section 8625.
- 38) State Mandates. Declares that the California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. Provides that with regard to certain mandates no reimbursement is required by this act for a specified reason. With regard to any other mandates, provides that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions.
- 39) Urgency. Declares that this bill will take effect immediately as a bill providing for appropriations related to the Budget Bill.

COMMENTS

According to the Author

These changes are necessary to implement investments included in the 2023 Budget Act.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

The bill appropriates \$317,000 in federal funds for the implementation of Family Code Section 8625.

VOTES**SENATE FLOOR: 29-8-3**

YES: Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener

NO: Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk

ABS, ABST OR NV: Ashby, Rubio, Stern

UPDATED

VERSION: June 26, 2023

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FN: 0001112