Summary/Action Minutes

I. Federal Legislative Update – CJ Lake

The House returned today from recess. The House will hold a number of budget hearings this week. At the same time, House Budget Committee Chairman Tom Price will unveil the House Budget Resolution tomorrow. The Senate Budget Committee will hold a two-day markup of its budget resolution this week as well. The full Senate will also continue debate on Human Trafficking legislation (S.178 and S.166), which will likely delay the expected confirmation vote for the Attorney General until at least next week.

House & Senate FY16 Budget Proposals

The House and Senate Budget Committees plan to release their respective FY16 budget resolutions this week. Congressional Republicans are hopeful they will be able to pass the first House-Senate concurrent budget resolution since April 2009.

The budget resolution proposes broad goals for spending, tax revenues and changes to programs like Medicare, Medicaid, food stamps as well as student loans. Members of the House and Senate will vote on the resolution, but it does not have the force of law. Instead, it requires follow-up legislation to implement any changes proposed by the resolution.

If Congress succeeds in adopting a joint House-Senate budget resolution, it will allow for a special follow-up measure known as a reconciliation bill. The budget resolution directs committees to come up with policies following reconciliation instructions but doesn’t dictate how to do so. Only policies that have a measurable effect on the deficit can be included in a reconciliation bill. This is where Congressional Republicans may try to repeal all or parts of the 2010 Affordable Care Act.

Sustainable Growth Rate (‘Doc Fix’) Legislation

The one-year delay of the cuts under the Medicare Sustainable Growth Rate will expire on March 31. If another “doc fix” is not instituted, payments to physicians for services provided through Medicare will be reduced by about 21 percent. Congress has blocked the reductions required by the formula 17 times since 2002.

In the past few days, there has been talk of a permanent doc-fix proposal, costing nearly $200 billion. House leaders negotiated a bipartisan doc-fix plan. Members of the House Ways & Means and Energy and Commerce Committees were also involved due to their jurisdiction over the Medicare program. It would be offset with $130 billion worth of adjustments in the budget resolution that would include government health programs.

Also included in the proposal is a two-year extension of the Children’s Health Insurance Program past its current September 30 expiration, costing about $5 billion. However, Senate Democrats have all signed onto
the Protecting And Retaining Our Children's Health Insurance Program Act of 2015 (S. 522), which would provide for a four-year extension. A dynamic to watch will be whether Democrats will support a two-year extension or decide they can only support a four-year SCHIP funding bill.

**Human Trafficking**

Senate leaders are trying to resolve a stalemate over the Victims of Trafficking Act of 2015 (S.178). The legislation has drawn a filibuster threat from Democrats who insist on removing language that would prohibit money in the restitution fund from being spent on abortions. Democrats admitted they overlooked the language when the bill was first reintroduced. Senate Majority Leader, Mitch McConnell has schedule a cloture vote for tomorrow.

**Attorney General Confirmation**

Senate Majority Leader, Mitch McConnell, indicated Sunday that Loretta Lynch would not get a confirmation vote until the Senate finishes debate on the human trafficking legislation. Republicans said that Democrats could easily move on to the attorney general nomination if they pledged not to block the anti-trafficking bill (S.178) when it comes up for a procedural vote later this week.

It has been 128 days since President Obama nominated Loretta Lynch back in November and about two and half weeks since her nomination cleared the Senate Judiciary Committee, garnering support from three Republicans.

**House Judiciary Markup**

The House Judiciary Committee will hold a markup on Wednesday, March 18 related to immigration. The committee will consider the final two of four bills, which include, The Asylum Reform bill (H.R. 1153) that would tighten the process by which the Administration approves asylum and parole claims and The Michael Davis, Jr. Act (H.R. 1148).

The Michael Davis, Jr. Act (H.R. 1148) is named for a Placer County Sheriff’s Deputy killed in the line of duty in 2014 and addresses the issue of criminal aliens by: (1) expressly authorizing state and local governments to assist in the enforcement of federal immigration law, including authorizing them to enact and enforce their own immigration laws (reversing Supreme Court precedent in a case involving Arizona’s immigration laws) and providing grants for local law enforcement; (2) expediting the deportation of criminal aliens, including those convicted of DUI offenses; (3) improving visa security; (4) increasing the ability of ICE officers to make arrests; (5) requiring the Administration to report to Congress each year on the use of prosecutorial discretion; (6) barring the Administration from modifying enforcement priorities; and (7) defunding President Obama’s administrative actions on immigration – whether through appropriations or agency-collected fees.

**Hearings**

- March 17: *House Transportation and Infrastructure Committee* “Surface Transportation Reauthorization Bill: Laying the Foundation for U.S. Economic Growth and Job Creation Part II” at 9:30 a.m.
- March 18: *House Judiciary Committee* Markup of H.R. 1153 and H.R. 1148 at 10:00 am
- March 19: *House Appropriations Committee* “Budget Hearing: Surface Transportation Programs” at 10:00 a.m.

**Purpose:**

- Report progress
- Advocacy or Education
- Request PAL Committee Recommendation or Position
- **Other: Federal legislative update**

This item was informational only and required no Committee action.
II. State Legislative Update – Platinum Advisors

Revenue Numbers

State Controller Betty Yee released a cash report for February. Total receipts equaled $6.6 billion for the month, beating the Governor’s budget forecast by $1 billion. Personal income tax revenue was up 26% over estimates, sales tax exceeded projections by 15.8%, and alcoholic beverage tax revenue totaled $55 million, eclipsing expectations by 133.9%. This jump in revenues has already started the speculation of how much of any surplus would be consumed by Prop 98 and the Rainy Day Fund, and much could be used by the Legislature to restore funding for a wide range of programs. The Budget Subcommittee has voted to restore funding for IHSS programs, and expect other Subcommittees to follow.

IHSS Actions Taken

Typically, Budget Subcommittees refrain from taking action on proposals until after the May Revision is released. On Wednesday, March 11, 2015, the Assembly Budget Subcommittee on Health and Human Services chose to move immediately on two (2) In-Home Supportive Services items, prioritizing them as part of the larger budget discussion. The committee approved the implementation of overtime for IHSS workers and the restoration of the 7% reduction in hours as of July 1, 2015. The Administration’s proposal made the 7% restoration of hours contingent on the approval of the MCO tax as revised by their Budget proposal; however the committee passed the restoration regardless of the funding source.

Overview of Welfare-to-Work

The Senate Human Services Committee and Senate Subcommittee on Health and Human Services met last week to discuss the status of the CalWORKs welfare-to-work program. There was testimony and reports from several groups including the recently renamed California Budget and Policy Center (California Budget Project), the California Department of Social Services, the Legislative Analyst’s Office, CWDA, and the Western Center on Law and Poverty among others. The committee started with an overview of the program, discussed recent changes to the program and what is currently known about outcomes, and entertained suggestions about proposed improvements to California’s welfare-to-work policies.

In April, the maximum CalWORKs grant for a family of 3 will be $704/month, 41.5% of FPL. Taken together, the maximum CalWORKs and CalFresh grant amounts for a family of 3 would increase the household income to 71.5% of FPL.

Recent changes to the CalWORKs program include:

2011

- Lifetime CalWORKs limit for adults was decreased from 60 months to 48 months.

2012

- Reduced weekly hours of required work participation for some families beginning January 2013.
- Increased flexibility in welfare-to-work rules for 24 months by removing restrictions on activities such as job search assistance, mental health and substance abuse treatment, and vocational education.
- Implemented a 24-month time limit on adult assistance in January 2013.
- Phased out the exemption allowing families with young children not to participate in work requirements by January 2015.
- Required the Department of Social Services to contract with a research organization to determine the impact these changes have on the CalWORKs program by January 2018.

2013

- Created the Family Stabilization Program to provide intensive case management in families with immediate needs causing family destabilization. The program began in January 2014, but
The county rollout is not yet complete. 6 months of the program may not count toward the 24-month
time limit.

- Increased funding allowing 3,000 new subsidized employment slots. 42 counties are
participating.
- Required the development of a standardized appraisal tool to screen welfare-to-work
participants for barriers to employment. The tool is scheduled for release this summer.
- Welfare-to-work flow was clarified to state that new welfare-to-work participants may
participate in other activities – training, family stabilization – prior to seeking employment if it
is deemed more beneficial.

2014

- $20 million was allocated in the Budget for 20 counties to establish a housing program for
homeless CalWORKs recipients.

As noted in the hearing, many of the changes made to the CalWORKs program have stemmed not from a
solid public policy perspective, but from financial shortfalls at the state level. It’s still too early to determine
full outcomes of these changes. The LAO noted that there appears to be increased welfare-to-work
participation due to the phase-out of the exemption allowing those with you children to stay home with them.
Some of those families will experience increased sanctions if they do not participate in welfare-to-work
requirements or child care utilization may increase for those families.

1115 Waiver

The Department of Health Care Services posted a draft of their final paper to be delivered to the Centers for
Medicare and Medicaid Services this afternoon. They'll hold a webinar on Wednesday at 4:00 to go over the
proposal: http://www.dhcs.ca.gov/provgovpart/Pages/1115-Waiver-Renewal.aspx

CWDA Priorities

Budget Subcommittees are meeting regularly now to discuss estimates, information and proposals from the
Governor’s January Budget. Advocates are using this opportunity to introduce new proposals not contained
in the Governor’s Budget to legislators and the public. CWDA’s top priorities are on today’s PAL agenda
and have been discussed in budget subcommittees. The proposals are similar to last year’s, including funding
for training in the Adult Protective Services program; the CalWORKs housing support program; and for
relative and foster parent recruitment, retention, and support. A $5 million budget infusion has been
requested to provide training funds for the Adult Protective Services (APS) program. APS staff, supervisors,
and mandated reporters would be included in the training. Currently, only $88,000 GF ($176,000 total funds)
is allocated for training, despite the fact that APS cases increased by 35% between 2001 and 2013. The
California Commission on Aging and California Elder Justice Coalition are co-sponsoring this proposal.
During the Assembly Budget Subcommittee on Health and Human Services, Assemblyman Tony Thurmond
requested data about how this funding would improve APS and help avoid negative outcomes for recipients
of services.

Last year, the Legislature included $20 million in the Budget for the CalWORKs Housing support program
as part of the 2014-15 Budget. The program takes CalWORKs recipients from homelessness to stable
housing and is projected to serve 3,000 families in 2014-15. CWDA and Housing California are requesting
an additional $30 million in the 2015-16 Budget to serve an additional 4,500 families. The program
mirrors the evidence-based model of rapid rehousing. 42 counties requested funding last year totaling $52
million and twenty (20) counties actually received funding including Alameda County.

The third request CWDA has brought to budget subcommittees is $30.2 million in funding for relative and
foster parent recruitment, retention, and support. Funds would include placements in family-based settings.
Currently $2.5 million GF ($4.2 million total funds) is available for support. Research has found that lack of
supportive funding leads to turnover and instability for children in foster care.
Justice-Related Grant Legislation

Several measures have been introduced thus far that would provide specific grants to local governments to address various aspects of law enforcement and the criminal justice system. Listed below are the specific bills.

- AB 65 (Alejo) – Body-worn Cameras: Matching Grant Program.
- AB 926 (Jones-Sawyer) – Safe Communities Grant Program
- SB 621 (Hertzberg) – Mentally Ill Offender Crime Reduction Grants
- SB 735 (Galgiani) – Postretirement Law Enforcement Officer Cold Case Grant Program
- SB 753 (Nielsen) – Criminal Justice Reinvestment Assessment Grant Program of 2015

Purpose:

☐ Report progress
☐ Advocacy or Education
☐ Request PAL Committee Recommendation or Position
☒ Other: State legislative update

This item was informational only and required no Committee action.

Request for Legislation Position

i. Increase funding for the CalWORKs Housing Support Program (HSP) by $30 million in State funding

Recommendation: Support: Lori Cox, Director, Social Services Agency and Chris Bazar, Director, Community Development Agency

Attachment

ii. Establish a Foster Parent and Kinship Recruitment, Retention, and Support fund for County agencies that includes a $30.2 million State General Fund increase

Recommendation: Support: Lori Cox, Director, Social Services Agency

Attachment

iii. Increase State funding support for Statewide Adult Protective Services Program (APS) training to create a Statewide, consistent APS training program infrastructure

Recommendation: Support: Lori Cox, Director, Social Services Agency

Attachment

Purpose:

☐ Report progress
☐ Advocacy or Education
☒ Request PAL Committee Recommendation or Position
☐ Other:

Recommendation from PAL Committee: Approve. Move to the full Board of Supervisors.

PUBLIC COMMENT

None.

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