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Budget Deal Adopts Many Western Center Priorities

SSI Recipients Eligible for SNAP

\$500 Million for Housing and Homeless Programs

Largest CalWORKs Grant Increase Since 1978

New CalWORKs Baby Wellness Program

June 18, 2018

Governor Brown and the Legislature have finalized a budget for the 2018-19 fiscal year. The budget enjoys a record General Fund estimate of \$137 billion and includes budget reserves of nearly \$16 billion. The budget funds a number of Western Center priorities including increasing CalWORKs grants, increasing income for SSI recipients, funding a new CalWORKs Baby Wellness program and providing \$500 million for affordable housing and homelessness. The budget is not perfect as it fails to include a badly needed change that would prevent poor seniors and persons living with disabilities from paying a large share of cost for their health care.

CalWORKs

10% CalWORKs Grant Increase— The budget includes the largest one year increase in the California grant in at least 40 years. The 10 percent increase will raise the maximum grant on April 1, 2019 from \$714 a month to \$785 a month for a family of three. The CalWORKs grant will increase from 41.2 percent of the federal poverty level to 43.6 percent.¹ The trailer bill also sets out a two-step process for pushing the grants to at least 50 percent of the federal poverty level over the next two budgets pending appropriation of funds in the budget. WCLP was a co-sponsor with CWDA, CCWRO, and Children's Defense Fund.

CalWORKs Cost of Living Adjustment – The budget restores the CalWORKs cost of living adjustment (COLA) beginning with the 2022-23 state budget. The COLA will be based on the California Necessities Index and will be applied to the CalWORKs maximum aid payment each July 1. The COLA was repealed as part of the 2009 budget. WCLP and CCWRO co-sponsored.

CalWORKs Baby Wellness and Family Support Home Visiting Program – The budget includes a new home visiting program for CalWORKs families. Home visiting has a robust evidence base, backed by rigorous research that supports models' effectiveness at promoting children's health and development and strong parenting skills while leading to fewer children in the social welfare, mental health, and juvenile corrections systems, with considerable cost savings for states. WCLP was a co-sponsor with CWDA, CCWRO, and Children's Defense Fund.

Safety Net Reserve –The budget includes a new Safety Net Reserve for Medi-Cal and CalWORKs and includes \$200 million in funding for CalWORKs. The state has done an exemplary job under Governor Brown and the legislative leadership in turning around the deepest deficit in state history and growing the Budget Stabilization Account (BSA) to \$13 billion. As constructed, the Public Schools System

Stabilization Account in the BSA receives the majority of the funds and thus in the case of a decline in revenue both Medi-Cal and CalWORKs would likely face deep cuts.

CalWORKs Homeless Assistance Program (HAP) – The budget includes an increase in the daily amount paid for temporary housing assistance from \$65 a day to \$85 a day. It also increases the maximum allowance for families from \$125 a day to \$145 a day. This long sought increase by advocates and counties will expand the pool of housing accessible through HAP while the family searches for permanent housing. A proposal to change the way the HAP 16 day period is calculated was not included in the final budget. WCLP and CCWRO sponsored this effort.

CalWORKs Housing Support Program (HSP) – The budget includes an increase in funding for the CalWORKs rapid re-housing program. Current funding for HSP is \$47 million annually. The budget increases funding in the 2018-19 budget by \$24 million and an additional \$24 million in funding in 2019-20 budget bringing total funding for HSP to \$95 million.

CalWORKs Single Allocation Funding – The budget provides \$23.5 million more in administrative funding than proposed by the Governor in the May Revise. The budget also requires the Department of Social Services to evaluate the funding formula used to allocate employment services and to propose changes as part of the 2019-20 budget.

CalWORKs Trailer Bill Provisions

CalWORKs Study Time for Self-Initiated Program Welfare-to-Work Participants (SIP) – The budget includes trailer bill language conforming study time rules for Self-Initiated Program (SIP) Welfare-to-Work Participants with the study time rules of non-SIP students. WCLP and CCWRO sponsored this proposal

Cal-ACES Stakeholder Involvement - Requires the State Department of Social Services, the State Department of Health Care Services, the Office of Systems Integration, the SAWS consortia, and the counties meet with advocates, clients, and other stakeholders no less than quarterly to review the development status of the California Automated Consortium Eligibility System (CalACES) and California Statewide Automated Welfare System (CalSAWS) projects. WCLP, CCWRO, CFPA, and the Health Consumer Alliance sponsored the proposal.

File Clearance Options Report - Approves supplemental report language requiring the Administration to report to the Legislature and stakeholders, including county representatives and advocates, on options for improving the “file clearance process” for CalWORKs, CalFresh, and Medi-Cal in the Medi-Cal Eligibility Data System (MEDS).

SSI, CAPI and Adult Services

SSI/SSP Cashout Repealed - The budget repeals state law that cashed out eligibility for federal SNAP (CalFresh) benefits in exchange for a \$10 increase in the SSI/SSP grant amount. By ending cashout beginning in June, 2019, the state will permit SSI recipients to apply for CalFresh. It is estimated that as many as 375,000 SSI recipients may become eligible for CalFresh. Benefit levels will be based on a table developed by DDSS in consultation with stakeholders. WCLP, CAFB, Justice in Aging and CA4SSI sponsored this effort.

State Nutritional Benefit (SNB) Program – The budget establishes a new program to “hold harmless” households which suffer a loss of benefits due to the end of cashout. CalFresh households which include one or more SSI recipients will now have the SSI income considered when calculating CalFresh eligibility

and benefit amounts. It is estimated that more than 70,000 households may see a reduction in CalFresh benefits.ⁱⁱ The SNB will provide a monthly supplement to the CalFresh amount so long as the family remains on CalFresh and the SSI recipient remains in the household. The amount of the benefit will be determined by DSS in consultation with stakeholders. \$200 million was appropriated to fund the SNB and TNB benefits. WCLP, CAFB, Justice in Aging and CA4SSI sponsored this effort.

Transitional Nutrition Benefit (TNB) Program – The budget establishes a second new program to “hold harmless” households that will lose all eligibility for CalFresh due to the end of cashout. CalFresh households which include one or more SSI recipients will now have the SSI income considered when calculating CalFresh eligibility and benefit amounts. It is estimated that over 7,000 households will lose all CalFresh due to the end of cashout. The TNB will provide a monthly supplement to the CalFresh amount so long as the family remains is on CalFresh when cashout ends and the SSI recipient remains in the household. The amount of the benefit will be determined by DSS in consultation with stakeholders. WCLP, CAFB, Justice in Aging and CA4SSI sponsored this effort.

Cash Assistance Program for Immigrants (CAPI) – The budget increases the CAPI grant amount by \$10 a month by reversing a decades old policy of providing \$10 a month less to disabled and elderly immigrant recipients than SSI recipients. This is tied to the repeal of cashout as the CAPI amount was benched \$10 lower than SSI maximum aid payments to reflect the \$10 from cashing out of SNAP benefits.

State Supplemental Payment Cost of Living Adjustment (COLA) – The budget restores the COLA for the state portion of the SSI/SSP grant beginning July 1, 2022 based on the California Necessities Index. The SSP COLA was suspended in 2009 during the recession and only one COLA has been provided since that time. WCLP, CCWRO, Justice in Aging, CAFB and CA4SSI sponsored.

Home Safe Program – The budget includes a new rapid re-housing program for seniors who qualify for adult protective services. DSS is authorized to award up to \$15 million in grants to counties, tribes, or groups of counties or tribes, that provide services to elder and dependent adults who experience abuse, neglect, and exploitation.

CalFresh and Nutrition

CalFresh Food and Vegetable EBT Pilot - \$9 million for 2018-19 (one-time), to be spent across three fiscal years, with trailer bill language to adopt a CalFresh Food and Vegetable EBT Pilot to stretch CalFresh dollars at grocery stores and markets.

Food Bank Infrastructure - \$5.5 million for 2018-19 (one-time) for food bank infrastructure investments that improve capacity, such as transportation, cold storage, warehouse equipment and supplies, and technology.

Food for All Stakeholder Workgroup - Supplemental report language requiring a Food for All Stakeholder Workgroup to review how the state and local entities can improve current programs and coordinate linkages to community services to strengthen California’s food assistance safety net for all low-income Californians

Hunger Free Campus Initiative – Provides \$1.5 million (one-time) to support CSU campus-based activities related to student hunger and basic needs. Campuses must provide a plan for expenditure and agree to collect input and outcomes data to receive funding. Requires CSU to report to the Legislature by Jan. 1, 2019 on uses of this funding and outcomes. WCLP and CCWRO sponsored.

Housing and Homeless Provisions

The final budget included \$500 million in one-time spending to address homelessness through new “Emergency Aid Block Grants” that will be allocated as follows:

- \$350 million to Continuums of Care based on the 2017 point-in-time homelessness count
- \$150 million to cities with populations of more than 330,000

The budget also included \$10 million for the Domestic Violence Shelter Program and \$1 million for the Homeless Youth and Exploitation Program, both administered by the Office of Emergency Services, and \$500,000 to hire an executive director and two staff members for the state Homeless Coordinating and Financing Council.

Pursuant to SB 2, a bill passed last year as part of the Housing Package that established a new document recording fee to create a permanent source of funding for affordable housing, half of funds collected in the first year from the fee must be expended to address homelessness. The Budget agreement allocates those funds as follows:

- \$57.5 million to the Emergency Solutions and Housing Program
- \$57.5 million to the Housing for a Healthy California Program
- \$5 million to an Orange County emergency shelter
- \$5 million to a Merced County navigation center

MediCal and Health Care Provisions

The final health care budget punted critical investments to the next Governor as many of advocates’ priorities were not included. Rather, the health budget is marked with one-time spending and an agreement to deal with Proposition 56 outside the budget process through a future bill. Although the Assembly took bold steps in May to approve over \$1 billion in health care investments, none of the measures expanding access to health care were included in the final budget. Below are items that were not included:

- **Health4All:** Expand full-scope Medi-Cal eligibility for Undocumented Adults over Age 65 & Young Adults up to Age 26.
- **Parity for Seniors and Persons with Disabilities:** Raise the Medi-Cal Aged and Disabled income level up to 138% of the Federal Poverty Line (FPL)
- **“Optional” Benefits:** Restoration of critical benefits including audiology, incontinence cream & washes, podiatry, speech therapy and moving up restoration of eyeglasses.
- **WIC Express Lane:** Develop express lane eligibility pathway from the Women Infant Child (WIC) nutrition program to Medi-Cal.
- **Transitional Medi-Cal:** Provide families exiting CalWORKs due to an increase in income to be eligible for Transitional Medi-Cal for twelve continuous months rather than an initial six-month period.

- **Outreach and Enrollment:** Funding to support Medi-Cal enrollment, retention, and access outreach.

Note: Several of these still have bills that are moving through the Legislature but are unlikely to pass out of the Appropriations committee since they were not included in the budget.

Below are items that were included in the budget:

- \$8.4 million in 2018-19, and \$6.9 million ongoing General Fund to eliminate treatment caps from the state-funded Breast and Cervical Cancer Treatment Program.
- \$2 million ongoing to support the Consumer Outreach and Assistance Program within the Department of Managed Health Care that was previously funded through DMHC salary savings. Total funding for Consumer Outreach and Assistance Program is \$2.6 million.
- \$8 million ongoing General Fund to expand the scope of interventions provided under the Black Infant Health Program.
- \$3 million for the collection and analysis of data on long-term services and supports through the California Health Interview Survey (CHIS) and \$750,000 to strengthen CHIS data collection efforts on children and youth (both one-time General Fund).
- \$5 million one-time General Fund and trailer bill to establish a taskforce and trailer bill to establish intent to accomplish universal coverage and a unified publicly financed health care system.
- Require Covered California to develop options for administering financial assistance for low-and middle-income Californians to help them access affordable health care coverage, and submit these options to the Legislature by February 1, 2019.
- \$60 million one-time General Fund and trailer bill to implement an All Payers Claim Database.
- Funding from Proposition 56 and General Fund to provide a 50 percent rate increase for Pediatric Day Health Care facilities.
- \$340,000 General Fund for certified translation services for the Diabetes Prevention Program curriculum in all threshold languages and technical adjustments to the Diabetes Prevention Program.
- Reject Administration's proposed trailer bill to eliminate the use of the 340B Drug Pricing Program.

Mental Health Funding

- \$10 million one-time General Fund to fund the last year of the Workforce Education and Training (WET) Program 5-year plan, which seeks to increase access to a diverse mental health workforce.
- \$10 million (MHSA Fund) one-time to implement a 3-year "All Children Thrive" pilot program that addresses childhood trauma.

- \$1 million (MHSA Fund) one-time and budget bill language to create scholarships for primary care physicians in medical shortage areas of California to enroll in a U.C. primary care psychiatric fellowship program.

Access to Justice

Equal Access Fund – The budget includes \$20 million for legal services via the Equal Access Fund. This is the same funding level as the 2017-18 budget but all \$20 million is now permanent funding. In addition to EAF funding there were several other items of note to legal service organizations including:

- The budget provides \$7 million for legal services for immigrants attending California State Universities.
- Provides \$10 million one-time Proposition 98 General Fund to support legal services for AB 540 and DACA students.
- The budget provides \$10 million for legal services unaccompanied undocumented children including those with a temporary protected status (TPS).
- Self-Help Centers - Provides \$19.1 million to support self-represented litigants in the courts with additional staff and attorneys to provide assistance in filling out forms, understanding court processes, and answering questions.
- The budget includes \$100,000 in funding for the Transcript Reimbursement Fund. The fund had been suspended due to a cash-flow issue with the Court Reporter’s Board.
- The budget repeals 2017-18 trailer bill language that directed 25 percent of *cy pres* funds to the Equal Access Fund.
- \$5 million for the Immigrant Bond Revolving Fund to provide funds to non-profit organizations to bail persons out if being held by the Department of Homeland Security.

On-Line Traffic Court Adjudication Pilot Program – The budget includes a three year pilot program to evaluate the use of on-line adjudication of traffic tickets. The pilot will operate in eight counties (San Francisco, Santa Clara, Shasta, Ventura and Tulare counties are confirmed with three more counties to be added). In addition to allowing on-line adjudication of non-parking infractions, it will provide discounts on the total fines of at least 50 percent and cap monthly payment plans at \$25 a month for low income persons. A proposal by advocates to require courts to restore driver’s licenses that were suspended for failure to appear in court was not included in the final budget.

Miscellaneous

EITC Expansion –The budget includes an expansion of eligibility for the state EITC to younger and older workers and to increase the value of the credit to keep pace with the increase in the minimum wage that will occur on January 1, 2019. The final version does not provides eligibility for the tax credit to Californians using ITIN documents.

Diaper Distribution Funds – The budget provides \$10 million in one-time funding to non-profit organizations to provide funding for diaper banks. WCLP and others sponsored this proposal.

Western Center on Law & Poverty brings about system wide public and private sector policy changes that help millions of low-income Californians at a time, focusing on the issues of affordable housing, healthcare, public benefits, racial justice, economic equity and access to justice.

For more information, contact:

For more detail on the budget outcomes please see our website at www.wclp.org

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ⁱ This calculation assumes there is a 4 percent increase in the federal poverty level for a family of three on January 1, 2019.

ⁱⁱ DSS estimates that more than 50,000 households will get an increase in CalFresh benefits due to the end of cashout.