

Health and Human Services Policy Committee Meeting CSAC 130th Annual Meeting Tuesday, November 19, 2024, 10:00 AM – 12:00 PM Pasadena Convention Center, Ballroom F 300 E Green Street, Pasadena, CA 91101

Supervisor Zach Friend, Santa Cruz County, Chair Supervisor Karen Spiegel, Riverside County, Vice Chair Supervisor Rosemarie Smallcombe, Mariposa County, Vice Chair

Note: This policy committee meeting is an <u>in-person meeting only</u> and is being held as part of the CSAC 2024 Annual Conference.

Agenda

10:00 a.m.	I.	Welcome and Introductions Supervisor Zach Friend, Santa Cruz County, Chair Supervisor Karen Spiegel, Riverside County, Vice Chair Supervisor Rosemarie Smallcombe, Mariposa County, Vice Chair
10:05 a.m.	н.	County Welfare Directors Association: New Leader Carlos Marquez III, Executive Director, County Welfare Directors Association of California (CWDA)
10:20 a.m.	III.	Foster Family Agency Insurance Crisis Claire Ramsey, Chief Deputy Director, California Department of Social Services Kym Renner, Deputy Director, Los Angeles County Department of Children and Family Services Chris Stoner-Mertz, Chief Executive Officer, California Alliance of Child and Family Services Amber Rivas, Chief Executive Officer, Aviva Family & Children's Services
10:50 a.m.	IV.	 Proposition 1: Planning and Implementation Update Stephanie Welch, Deputy Secretary of Behavioral Health, California Health and Human Services Agency (CalHHS) Cari Scott, Assistant Deputy Director, Division of State Financial Assistance, Program Design and Implementation Branch, California Department of Housing and Community Development (HCD)
11:30 a.m.	V.	Raise CA Strong: An Overview of First 5 California's New Child Care Campaign Jackie Wong, Executive Director, First 5 California
11:45 a.m.	VI.	Platform Changes – ACTION ITEM CSAC HHS Team
11:55 a.m.	VII.	2025 HHS Priorities – ACTION ITEM CSAC HHS Team
12:00 p.m.	VIII.	Closing Comments and Adjournment
Informational	ltem:	2024 Legislative Year in Review



President Bruce Gibson San Luis Obispo County

1st Vice President Jeff Griffiths Inyo County

2nd Vice President Susan Ellenberg Santa Clara County

Past President Chuck Washington Riverside County

CEO Graham Knaus November 19, 2024

To: Health and Human Services Policy Committee

From: Justin Garrett, CSAC HHS Senior Legislative Advocate Jolie Onodera, CSAC HHS Senior Legislative Advocate Danielle Bradley, CSAC HHS Legislative Analyst

RE: County Welfare Directors Association: New Leader

Introduction. Counties are pleased to welcome Carlos Marquez III as the new Executive Director of the County Welfare Directors Association of California (CWDA). CWDA represents the human services directors from all 58 counties and advocates for policies that protect and support vulnerable children, families, and adults. Carlos started in this role on October 1, 2024 and comes to CWDA with a strong background in policy advocacy and state association leadership. Below is his CWDA biography with additional details.

Carlos Marquez III comes to CWDA as a seasoned advocate and recognized state association leader with nearly two decades of capitol experience. Against the backdrop of some of the toughest policy fights in Sacramento, Carlos has built a record of major legislative and budget achievements on behalf of large and diverse membership organizations.

In past roles as inaugural executive director of ACLU California Action and senior vice president of the California Charter Schools Association, respectively, Carlos secured legislation and budget investments that target disparities in California's public safety and public education systems.

Carlos has also served as an advisor to safety net and anti-poverty advocates like the Center on Budget and Policy Priorities and Legal Assistance to the Elderly. Other past roles include leading HONOR Fund, a sponsored initiative of the Mexican American Legal Defense & Education Fund and serving as deputy political director of the LGBTQ Victory Fund & Institute. Carlos began his career representing social workers and county eligibility workers while at SEIU Local 221. He is deeply passionate about and understands the transformative power of county safety net programs personally. As a child, Carlos interacted regularly with Tulare County Child Protective Services and narrowly avoided foster care.

Please welcome Carlos to the leadership of this important county partner! He can be reached at:

Carlos Marquez III Executive Director, CWDA cmarquez@cwda.org



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To: Health and Human Services Policy Committee

From: Justin Garrett, CSAC HHS Senior Legislative Advocate Jolie Onodera, CSAC HHS Senior Legislative Advocate Danielle Bradley, CSAC HHS Legislative Analyst

RE: Foster Family Agency Insurance Crisis

Introduction. Foster Family Agencies (FFAs) are a critical partner of counties in caring for the well-being of children placed into foster care. Counties contract with FFAs to approve resource families, help find placements for foster children and youth, often those who may require more intensive care, and provide wraparound services. Roughly 90% of FFAs obtain their liability insurance through the Nonprofit Insurance Association of California (NIAC).

In the middle of the year, NIAC indicated they would start issuing non-renewals to all FFAs that they cover unless they were able to obtain changes to state law relating to FFA liability standards, indemnification agreements, and other provisions. Their proposal appeared as a gutand-amend in June in Assembly Bill 2496. However, the bulk of their proposal was amended out of the bill during the first committee hearing due to concerns from the Legislature and stakeholders. NIAC has subsequently started to issue non-renewals to FFAs as individual FFA policies come up for renewal. This action has created a crisis for FFAs and the children they serve as they are not able to stay in business and continue offering services without liability insurance.

Short-Term Solution. Given the reality that some FFAs may lose their liability coverage, <u>AB 2496</u> was amended to provide necessary tools to deal with this crisis in the short-term. The County Welfare Directors Association, CSAC, the Urban Counties of California, and the Rural County Representatives of California all worked to have this bill address the FFA insurance crisis as comprehensively as was possible at the end of the legislative session. This bill was signed into law by the Governor and gives the California Department of Social Services (CDSS) the authority to streamline the process of transferring resource family home approval from an FFA that closes to the county or another FFA. CDSS will have the ability to grant waivers on existing guidance in order to reduce timelines and other barriers. This bill also ensures that resource families will continue to receive the higher rates provided to FFA families during this transition.

While this bill did not identify a long-term solution to the insurance coverage crisis facing FFAs, it does start a process for working toward that solution. AB 2496 requires CDSS to examine options for insurance coverage, work with relevant departments and stakeholders, and report to the Legislature during next year's budget process.

Current Situation. Counties, FFAs, and the state are all grappling with this crisis in real time as FFAs begin to lose coverage. There are approximately 9,000 foster children and youth placed with FFAs who are at risk of placement disruption and losing the stability of their current living situation. FFAs are exploring other insurance options but finding only limited and significantly

more expensive insurance options. Counties are working closely with those FFAs who may be closing to prioritize the safety and well-being of foster children and reduce disruption during any transition process. At the state level, the California Department of Social Services is moving forward on guidance to implement the streamlining provisions of AB 2496 and with efforts to examine state level approaches to address this crisis.

During the meeting, the HHS Policy Committee will hear from a panel of experts who can provide the latest information on the current efforts and work towards a long-term solution. The panel will include:

- Claire Ramsey, Chief Deputy Director, California Department of Social Services
- Kym Renner, Deputy Director, Los Angeles County Department of Children and Family Services
- Chris Stoner-Mertz, Chief Executive Officer, California Alliance of Child and Family Services
- Amber Rivas, President and CEO, Aviva Family and Children's Services

Resources

CDSS ACL 24-77: Resource Family Approval – Expedited Portability

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To: Health and Human Services Policy Committee

From: Jolie Onodera, Senior Legislative Advocate Justin Garrett, Senior Legislative Advocate Danielle Bradley, Legislative Analyst

RE: Proposition 1: Planning and Implementation Update

Issue Overview. Proposition 1 appeared on the March 5 statewide primary election ballot as a legislatively referred state statute consisting of two main components providing for statutory changes to reform the state's behavioral health system and create more supportive housing and behavioral health treatment resources. On April 12, 2024, the California Secretary of State certified the passage of Proposition 1 by the voters.

In October 2023, Governor Newsom signed into law both Assembly Bill (AB) 531 and Senate Bill (SB) 326. Specified sections of AB 531, the Behavioral Health Infrastructure Bond Act of 2024 (BHIBA), and SB 326, the Behavioral Health Services Act (BHSA), were submitted to the voters as a single measure designated as Proposition 1:

> BHIBA: Authorizes \$6.38 billion in general obligation bonds to finance the conversion, rehabilitation, and construction of supportive housing and behavioral health housing and treatment settings. Of the total, \$1.5 billion is to be awarded through grants exclusively to counties, cities, and tribal entities; and local jurisdictions are not precluded from applying for additional funds.

 \succ BHSA: Amends the Mental Health Services Act (MHSA) which was approved by the voters as Proposition 63 in 2004 and makes other statutory changes to update the state's behavioral health system. Among its provisions, Proposition 1 renames the MHSA to the BHSA, broadens the eligible uses of funds to include the provision of substance use disorder treatment services, revises the funding categories to include a prioritization for housing interventions for those with the most severe needs, including the chronically homeless, and establishes additional oversight and accountability measures.

The passage of Proposition 1 marked only the beginning of a multi-year process of intense planning and stakeholder engagement at the state and local level to implement these significant reforms in the best interests of California's most vulnerable populations while preserving core services. Key implementation questions and considerations remain under discussion as development of the policy guidance continues in preparation for anticipated release in early 2025. Further, the long-term effects of how these reforms will impact Californians and the current behavioral health and housing systems will likely not be realized for years to come.

CSAC, county partners, and member counties continue to work collaboratively with the Administration and other stakeholders in the development of policy guidance (including exemption criteria), standards and metrics, and evaluation of needed resources through multiple workgroups and committees. Further, CSAC, including county executive representatives, and representatives from the County Behavioral Health Directors Association (CBHDA) continue to participate on the statutorily required BHSA Revenue Stability

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Workgroup in the development of recommended solutions to reduce the Behavioral Health Services Fund's revenue volatility to better support the sustainability of county programs. Counties are committed to fully implementing these reforms to bring about the needed changes to improve the behavioral health system and reach our shared goals of a comprehensive continuum of care through the development of a thoughtful, robust, and sustainable system that best supports all Californians.

BHIBA Components. Significant recent developments have been announced related to the Behavioral Health Infrastructure Bond Act (BHIBA), which authorizes a \$6.38 billion general obligation bond to fund the infrastructure development of treatment and residential sites as well as supportive housing. Two programs will be funded by the bond which are overseen by two state departments:

Behavioral Health Continuum Infrastructure Program (BHCIP) is administered by the Department of Health Care Services (DHCS):

- <u>BHCIP</u> is an existing program that has provided state funding to construct, acquire, and expand properties and invest in mobile crisis infrastructure related to behavioral health. DHCS has been releasing these funds through multiple grant rounds targeting needs in the state's behavioral health facility infrastructure continuum.
- BHCIP is receiving \$4.4 billion through Proposition 1 under the BHIBA, with up to \$3.3 billion available for the first round of applications. Counties, cities, tribal entities, nonprofit organizations, and for-profit organizations are eligible to apply. Applications, which are currently open, close on December 13, with the first round of funding awards anticipated to be announced in May 2025.

1. Regions for All Eligible Entity Funds	Subtotal Available to Regions for All Eligible Entities: \$1.8 billion
Los Angeles County	\$479,190,226
Bay Area: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma	\$278,108,183
Southern California: Imperial, Orange, Riverside, San Bernardino, San Diego, Ventura	\$263,680,311
San Joaquin Valley: Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare	\$154,666,275
Sacramento Area: El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba	\$81,768,565
Central Coast: Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz	\$51,771,065
Balance of State: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, Tuolumne	\$58,815,375
Tribal	\$90,000,000
Discretionary: The discretionary set-aside may also be used to fund high- scoring projects in regions that have met their funding reserve.	\$342,000,000
2. No Regional Caps for County, City, and Tribal (only) Funds	Subtotal Available Statewide for County, City and Tribal*: \$1.5 billion
Total for Bond BHCIP Round 1: Launch Ready	Up to \$3.3 billion

Source: <u>DHCS – BHCIP Round 1: Launch Ready Informational Webinar</u>

Homekey Plus (Homekey+) is administered by the Department of Housing and Community Development (HCD) in partnership with the Department of Veteran Affairs (CalVet):

- <u>Homekey+</u> builds on the existing Homekey Program which supported the acquisition and rehabilitation of property for permanent supportive housing. These funds also support the new construction of multifamily rentals, master leasing, and shared housing.
- The units will target Californians who are at risk of or experiencing homelessness with behavioral health challenges and extremely low incomes. Applications are planned to open in November 2024 with continuous award announcements beginning in May 2025.
- HCD is aggregating two main funding sources for Homekey+ for a total of \$2.25 billion for the upcoming November application cycle:
 - \$1.93 billion from BHIBA bond funding, with \$1.033 billion designated for veterans and \$894 million for other people experiencing or at risk of homelessness.
 - \$323 million Homeless Housing, Assistance, and Prevention Program (HHAP) Homekey Supplemental funding appropriated in the 2023 and 2024 Budget Acts.

NOFA	DESCRIPTION	ESTIMATED NOFA AMOUNT	
	Veteran-serving projects	TOTAL \$1.033 billion (Proposition 1)	
GENERAL NOFA	All Projects (includes Prop 1 and HHAP Homekey supplemental funds)	<pre>\$805 million (Proposition 1) <u>\$291 million</u> HHAP Homekey Supplemental (General Fund) TOTAL \$1.096 billion to include: homeless or at-risk youth target (age 18-25) of approximately \$74 million</pre>	
TRIBAL NOFA	Tribal Applicants (includes Prop 1 and HHAP Homekey supplemental funds)	\$89 million (Proposition 1) <u>\$32 million</u> HHAP Homekey Supplemental TOTAL \$121 million	
	Total Funds Available	\$2.250 billion	

NOFA Release General/Tribal	Pre-Application Consultations	Application Portal Opening	Final Application Due Date	Award Announcements
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November 2024	Beginning January 2025	Mid- to Late- January 2025	Various depending on Project Type: Gap Financing Projects (see page 12): Applications will be due one (1) month from the date the application portal opens.	Continuous beginnning May 2025
			■ Regional Pools (includes new construction cost containment projects – see page 13): Applications will be due four (4) months from the date the application portal opens.	
			Tribal Projects: application deadline will be open-ended until all funds are disbursed.	

Source: <u>HCD Homekey+ Program Overview</u>

BHSA Planning Activities. CSAC continues its advocacy focus on BHSA planning and implementation efforts through active participation on advisory workgroups and committees with the Administration and stakeholders in the development of policies (including exemption criteria), guidance, and processes to implement this significant reform in the best interests of all 58 counties. CSAC, alongside CBHDA and representatives from numerous counties, have been participating on the Behavioral Health Transformation Implementation Workgroup to provide input on BHSA policy, guidance, and development of the statewide IT platform for data collection and reporting of the BHSA integrated plan and outcomes and accountability report. The initial module of the policy guidance manual is anticipated to be released for public comment in early 2025.

CSAC and county partners advocated to secure \$85 million in the 2024 Budget Act for county behavioral health administrative costs for initial planning efforts associated with the BHSA. CSAC will continue its advocacy efforts to ensure counties are adequately resourced to implement this complex, multi-year initiative. The statutorily required BHSA Revenue Stability Workgroup held its first meetings during the Summer 2024. This workgroup is charged with assessing and recommending solutions to reduce the revenue volatility inherent in the BHSA.

Speakers. We have invited the following representatives from the Administration to provide an update on the status of Proposition 1 planning activities and implementation timelines, highlighting the status of recent developments of the bond components under BHIBA and the status of BHSA policy development, including technical assistance being provided to counties, providers, managed care plans, and community partners:

- Stephanie Welch, Deputy Secretary of Behavioral Health, California Health and Human Services Agency (CalHHS)
- Cari Scott, Assistant Deputy Director, Division of State Financial Assistance, California Department of Housing and Community Development (HCD)

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Sources

<u>CSAC: Proposition 1 resources webpage</u> <u>Proposition 1 text</u> <u>DHCS Behavioral Health Transformation</u> <u>DHCS – BHCIP Round 1: Launch Ready Informational Webinar</u> <u>BHCIP Round 1: Launch Ready Request for Applications (RFA)</u> <u>HCD Homekey+ Program Overview</u>



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RE: Raise CA Strong: An Overview of First 5 California's New Child Care Campaign

Introduction. First 5 California was created in 1998 with the passage of the voter approved initiative known as the California Children and Families First Act (Proposition 10). The Act created the 58 First 5 county commissions as well as the statewide California Children and Families Commission, also known as First 5 California. The Act established a new tax on cigarettes and other tobacco products to support, promote, and improve early childhood development through coordinated programs that emphasize child health, parent education, child care, and other services and programs for children prenatal through age five. While the Act directs 80 percent of Proposition 10 revenues to go to the 58 First 5 county commissions, the remaining 20 percent of Proposition 10 revenues are allocated to First 5 California for the mandated purposes of mass media communication efforts, school readiness programs, child care programming and support, and research and development.

Raise CA Strong. In August, First 5 California launched a new campaign, <u>Raise CA Strong</u>, which aims to build support for greater access to affordable child care for all California families. Accompanying the launch of Raise CA Strong, First 5 California released a new report, "<u>The Childcare Crisis in California & 5 Pathways for Change.</u>" The report, which was informed by a series of surveys, polling responses, and in-depth interviews with parents, caregivers, and business owners, identifies five areas of tension and potential pathways for change in the current child care landscape: Affordability, Access, Stability, Quality Programs, and Economic Impact.

The Raise CA Strong campaign also includes a comprehensive <u>communications toolkit</u> for child care stakeholders. With the new Raise CA Strong campaign, First 5 California seeks to catalyze systemic change and empower stakeholders within the early childhood education system to become a champion for increasing access to affordable, quality child care.

Speaker. The CSAC Health and Human Services Committee is joined by the Executive Director of First 5 California, Jackie Wong, who will provide an overview of the Raise CA Strong campaign, answer questions, and discuss pathways for counties to partner with First 5 California in efforts to increase access to affordable, quality child care.

Jackie Thu-Huong Wong, a refugee born during the fall of Saigon and the first woman of color is the Executive Director of First 5 California. Ms. Wong brings more than three decades of experience working as an advocate for equity, health and education for children, youth and families in the state. Her formal training and background as a social worker has made it

possible for Ms. Wong to share her expertise with diverse communities, specifically helping children thrive to achieve their full potential.

Previously, Ms. Wong served as First 5 California's Chief Deputy Director, helping transform the organization toward its new North Star to create safe, stable, nurturing, relationships and environments for California's youngest children and their families. She also helped families overcome the devastating impact of the COVID-19 pandemic, address adverse childhood experiences, remove barriers to equity, and tackle the systemic issues affecting California's families.

Prior to joining First 5 California, Ms. Wong, M.S.W served as the Vice President of Policy and Advocacy for GRACE, an anti-poverty organization that manages the End Child Poverty in California Campaign (ECPCA) aimed at ending deep child poverty and reducing child poverty in the state. Under her leadership, in coalition with several anti-poverty advocates, ECPCA was able to secure over \$4 billion in new funding to address child poverty, with a significant investment in education programs.

She also currently serves as a Trustee for the Washington Unified School Board in West Sacramento and as a professor for Sacramento State's School Nursing Credential program. In the past, she served as the Government Relations Director for the National Center for Youth Law, Principal Policy Consultant to the California Senate President Darrell Steinberg, and Statewide Director for the Foster Youth Service at the California Department of Education.

She is a mom to two school-age children and holds a Bachelor of Arts in Social Welfare and Psychology from the University of California, Berkeley, and a Master of Social Work from California State University, Sacramento.

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RE: Review of the Draft Platform Chapters: Health and Human Services – ACTION ITEM

Staff Recommendation. Staff recommends that the Health and Human Services Policy Committee approve the proposed changes to the CSAC policy platform as drafted and forward to the CSAC Board of Directors.

Background. At the start of each two-year legislative session, CSAC undertakes a policy platform review process. To begin that process of updating the guiding policy document for the Association, we have attached proposed drafts of the Health Services, Human Services, and Realignment chapters of the CSAC Platform for your review and input. We invited all counties and members of the HHS Policy Committee to review and submit comments, ideas, or questions by October 1. Following the submission of comments, we have prepared a draft of the platform chapters for review by the Health and Human Services Policy Committee.

This review is intended to serve as the second step in the process of developing the 2025-26 platform. If the Committee has any further agreed upon edits, staff will make the approved changes and present the updated draft version to the CSAC Board of Directors for approval.

Below is a high-level summary of the changes made to each of the chapters based on both an internal review and committee member comments. Edits were made throughout the Health Services and Human Services chapters to remove language that was out-of-date and to streamline the platform. Additional substantive changes are noted below:

Chapter Six – Health Services

- Section 1: General Principles Added language to describe the role of public hospitals and clinics.
- Section 2: Public Health Added language reaffirming that counties retain authority to make health policy and fiscal decisions at the local level to meet the needs of their communities.
- Section 3: Behavioral Health Added language to reflect voter approval of Proposition 1, the Behavioral Health Services Act and the Behavioral Health Infrastructure Bond Act, in March 2024.
- Section 4: Public Guardians/Administrators/Conservators Added language to reflect the expanded definition of "gravely disabled" under the Lanterman-Petris-Short Act pursuant to SB 43 (Chapter 637, Statutes of 2023).

- Section 5: Children's Health Added language to reflect recent changes to the California Children's Services program, the sunset of the Child Health and Disability Prevention Program, and detail about the Health Care Program for Children in Foster Care as a standalone program.
- Section 6: Medi-Cal Added language to reference public hospitals, indigent medical care, and adequate reimbursement rates for services provided under CalAIM.
- Section 8: California Health Services Financing Added language to update hospital financing section.
- Section 9: Violence Prevention Added language specifying commitment to raising awareness of the toll of violence related to hate crimes and violence against the elderly and other marginalized groups.
- Section 15: Homelessness Added language highlighting the AT HOME Plan that was developed utilizing the homelessness principles.

Chapter Eleven – Human Services

- Section 4: Employment and Self-Sufficiency Programs Added language indicating self-sufficiency program rules, metrics, and incentives should be aligned with best outcomes for families.
- Section 6: Aging and Dependent Adults Reorganized to create distinct subsections for Adult Protective Services (APS) and broader aging programs.
- Section 6: Aging and Dependent Adults Added language to highlight the need for adequate funding for the APS expansion.
- Section 6: Aging and Dependent Adults Added language to further articulate the need for adequate funding and county flexibility for aging programs to guide county advocacy in follow up efforts that will occur with the passage of SB 1249.
- Section 6: Aging and Dependent Adults Added language to identify county needs and priorities within support for transitioning IHSS collective bargaining from counties to the state and language to highlight the need for adequate public authority administration funding.
- Section 10: Violence Prevention Added language specifying commitment to raising awareness of the toll of violence related to hate crimes and violence against the elderly and other marginalized groups.
- Section 12: Homelessness Added language highlighting the AT HOME Plan that was developed utilizing the homelessness principles.

<u>Chapter Sixteen – Realignment</u>

• No proposed edits.

We wish to thank each of the supervisors, county affiliate organizations, and county staff who reviewed the chapters and suggested proposed changes.

Attachments.

- 1. Draft Health Services Platform Chapter
- 2. Draft Human Services Platform Chapter
- 3. Draft Realignment Platform Chapter

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From: Justin Garrett, CSAC HHS Senior Legislative Advocate Jolie Onodera, CSAC HHS Senior Legislative Advocate Danielle Bradley, CSAC HHS Legislative Analyst

RE: 2025 CSAC Health and Human Services Advocacy Priorities – ACTION ITEM

Note: Please review these draft 2025 CSAC health and human services priorities and prepare for a discussion and action during the November 19 policy committee meeting.

Introduction. Each year, CSAC establishes priority advocacy issues for the Association for approval by the Board of Directors. The CSAC advocacy team assesses the policy and political landscape for the coming year and drafts suggested priorities to align with the Association's existing platform language.

Each policy committee is then tasked with examining the proposed priorities in their issue area and voting to approve draft priorities. Once approved by the policy committee, these draft priorities will be forwarded to the CSAC Board of Directors for final approval.

The proposed 2025 HHS priorities listed below were developed with the current state and federal political landscapes in mind. This list includes the highest-level priorities, though CSAC will continue to engage on numerous HHS issues in 2025.

CalAIM Implementation. California Advancing and Innovating Medi-Cal (CalAIM) is an ambitious multi-year initiative seeking to enhance care coordination and improve health outcomes through state and federal proposals to simplify and streamline the Medi-Cal program. CalAIM has significant implications for many county health and human services functions, including behavioral health services, social services eligibility, county public hospitals, and cross-sector initiatives for foster youth and those who are homeless or justice-involved. CSAC will continue to focus on the federal, state, and local finance implications, as well as the impacts on county operations, successful programs, and the people and families served. Additionally, CSAC will continue to advocate for prioritization and funding of counties to provide services that leverage counties' existing expertise and for the state to consult with counties in formulating and implementing all policy, operational and technological changes of this multi-faceted initiative.

CARE Act Funding/Implementation and Technical Assistance. SB 1338 (Chapter 319, Statutes of 2022), the Community Assistance, Recovery, and Empowerment (CARE) Act, includes a statutory commitment that the Act's operation is contingent upon consultation with county stakeholders and the development of an allocation to provide state financial assistance to counties to implement the CARE Act process. CSAC will continue to advocate to secure adequate, flexible, and sustained funding across all impacted local agencies to support counties' efforts in this new statewide program. Additionally, CSAC will advocate for any necessary program changes and

needed technical assistance related to implementation as counties continue to roll out this new program statewide by December 1, 2024.

Early Childhood. CSAC will continue to look for ways to increase county advocacy on early childhood and child care issues. In 2024, CSAC focused on understanding the child care policy landscape, building partnerships, and identifying strategic opportunities for county engagement. This year, CSAC will expand engagement with counties on early childhood and child care issues as it relates to benefits to families, economic impacts, and connections to county administered programs. In addition, CSAC will look to build upon the work in 2024 to further engage on bill and budget items that align with county needs and county responsibilities.

Homelessness. The AT HOME plan will continue to guide CSAC's advocacy efforts to address the state's homelessness crisis. CSAC will advocate for ongoing homelessness funding, appropriate accountability mechanisms, and a broad range of homelessness bills and budget items at both the state and federal level that are aligned with the policy recommendations of the six pillars of the AT HOME plan. In addition, CSAC will remain engaged on implementation of HHAP Rounds 5 and 6, which included increased collaboration, accountability, and planning requirements. CSAC will work with the Administration and Legislature on implementation needs and to highlight county urgency, utilization, and successes with this funding.

IHSS. The California Department of Social Services (CDSS) will be releasing a report by January 1, 2025 that analyzes the costs and benefits of moving In-Home Supportive Services (IHSS) collective bargaining responsibilities from counties to the state level. CSAC was an active member of the workgroup that CDSS convened to analyze this issue over the past year. While the report is not anticipated to contain a recommendation about statewide bargaining, there is a strong likelihood that IHSS provider unions will sponsor legislation in 2025 to move bargaining to the state level. CSAC will continue to engage on this issue in a manner that protects county fiscal, programmatic, and administrative responsibilities for any possible transition of collective bargaining to the state level.

Proposition 1 Planning and Implementation / Behavioral Health Funding. CSAC continues its advocacy focus on Proposition 1 planning and implementation efforts through active participation on advisory workgroups with the Administration and stakeholders in the development of policies, guidance, and processes to implement this significant reform in the best interests of all 58 counties.

The state has made significant one-time investments in behavioral health housing, children's behavioral health services, and the CalAIM initiative. However, behavioral health policy changes with significant ongoing impacts to counties are forthcoming under Proposition 1 as approved by the voters in March 2024. To successfully leverage investments and to make transformative change requires addressing the underlying county mental health plan funding shortfalls, and the expanding set of roles and responsibilities on county agencies continues to create challenges for successful progress.

CSAC will advocate for policy guidance providing as much flexibility as possible to counties to meet each jurisdiction's unique needs. CSAC advocated to secure the \$85 million included in the 2024 Budget Act for county behavioral health administrative costs for initial planning efforts associated with the Behavioral Health Services Act (BHSA). CSAC will continue its advocacy efforts to ensure counties are adequately resourced to implement this complex, multi-year initiative. CSAC will also continue its participation on the statutorily required BHSA Revenue Stability Workgroup to assess and recommend solutions to reduce the revenue volatility inherent in the BHSA.

CSAC will also continue to advocate for behavioral health workforce assistance and adequate, sustained funding to match new responsibilities included in initiatives such as the CARE Act, the multi-year effort to develop a comprehensive statewide 988 system, and the resources to support the expansion of the Lanterman-Petris-Short Act required under SB 43 (Chapter 637, Statutes of 2023).

Safety Net Programs. CSAC will work to protect funding for county safety net programs in the state budget. In 2024, there were more than \$1 billion in proposed cuts to human services programs and \$300 million in proposed cuts to public health funding. Counties were able to preserve most of this funding in the 2024 Budget Act, but the state continues to experience significant fiscal uncertainty. There is the possibility that detrimental cuts to county health and human services (HHS) programs will once again be proposed in 2025. These services are vital for the health and well-being of the state's most vulnerable residents. CSAC will work to highlight the importance of these programs and protect funding for the full range of HHS programs that counties administer.

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To: Health and Human Services Policy Committee

From: Justin Garrett, CSAC HHS Senior Legislative Advocate Jolie Onodera, CSAC HHS Senior Legislative Advocate Danielle Bradley, CSAC HHS Legislative Analyst

RE: 2024 Legislative Year in Review

BUDGET OUTCOMES. CSAC advocated for the preservation of core safety net services that counties deliver to vulnerable Californians as a top budget priority. Counties strongly opposed January Budget and May Revision cuts to CalWORKs, child welfare/foster care, Adult Protective Services (APS), and public health. Despite the significant program and service reductions proposed by the Governor, the final budget agreement largely protects critical investments in health and human services programs that support our state's most vulnerable communities. While maintaining most of the funding, the final budget agreement does include specified delays, deferrals, and targeted, yet modest, reductions to health and human services programs mainly to align with existing expenditures. County voices that highlighted how these services are vital for the residents of our communities were essential in helping ensure this funding was included in the final budget agreement.

Health and Behavioral Health Budget Outcomes

Proposition 1 – Behavioral Health Services Act (BHSA)/Behavioral Health Infrastructure Bond Act (BHIBA): Initial Funding for County and State Implementation

Proposition 1, which voters approved at the March 2024 statewide primary election, seeks to address the behavioral health and homelessness crises facing our state through significant reforms to our existing mental health system and \$6.4 billion in critically needed investment in our state's behavioral health infrastructure.

The final budget agreement includes \$85 million (\$50 million General Fund and \$35 million federal funds) in 2025-26 for county behavioral health administrative costs for initial planning and implementation of specified portions of the BHSA. CSAC will continue its ongoing engagement with the Administration and county partners in the development of the policies, guidance, and fiscal estimates needed to ensure counties are best supported to implement this complex, multi-year initiative.

Community Assistance, Recovery and Empowerment (CARE) Act

The final budget agreement includes funding to support the phase-in of statewide implementation of the CARE Act. In total, General Fund support for state and county activities consists of \$71.3 million in 2023-24, \$91.3 million in 2024-25, \$106.9 million in 2025-26, and \$107.7 million in 2026-27 and annually thereafter. Overall budgeted funding for the program has declined primarily to account for updated assumptions reflecting lower caseload/utilization to date experienced by the counties that have implemented the program.

CSAC will continue to advocate for an adequate level of ongoing funding as Cohort 2 counties enter the implementation phase by December 1, 2024, to provide counties with the resources needed to successfully implement this new program. Additionally, the Governor recently signed SB 1400 (Chapter 647, Statutes of 2024), which significantly expands the CARE Act data collection and reporting requirements for county behavioral health agencies. CSAC will continue to engage with the Administration, which has committed to continue monitoring utilization trends and costs to make corresponding updates to the fiscal assumptions based on actual data.

California Advancing and Innovating Medi-Cal (CalAIM)

The final budget agreement maintains the multi-billion-dollar commitment to continue efforts to transform the healthcare delivery system through CalAIM, to strengthen the Medi-Cal program by offering Californians more equitable, coordinated, and person-centered care.

Medi-Cal

The final budget agreement continues to support implementation of significant investments made to date in the Medi-Cal program, including fully funding the expansion of benefits to adults regardless of immigration status. The 2024 Budget Act includes \$1.4 billion (\$1.2 billion General Fund) in 2023-24, and \$3.3 billion (\$2.8 billion General Fund) in 2024-25 to implement the expansion to income-eligible adults aged 26-49 regardless of immigration status, which took effect on January 1, 2024.

MCO Provider Rate

As enacted through the early action budget agreement in SB 136 (Chapter 6, Statutes of 2024), DHCS submitted a request to modify the MCO tax proposal to the federal Centers for Medicare and Medicaid Services (CMS) in March 2024. The modified tax model increases the amount of the tax and is estimated to generate \$1.5 billion in additional net funding to the state over the remaining duration of the tax.

In total, the 2024 Budget Act reflects \$6.9 billion in 2024-25 and \$23.1 billion through 2026-27 in MCO tax funding to support the Medi-Cal program. The 2024 Budget Act also includes funding for new, targeted Medi-Cal provider rate increases and investments from the MCO tax. However, various items included within the 2024 Budget Act as it relates to rate increases from the MCO tax would be repealed if Proposition 35 is approved by the voters at the November 2024 statewide election.

Health Care Worker Minimum Wage Increase (SB 525) Delay

The final budget agreement included trigger language to delay the effective dates of the minimum wage increases for specified health care workers pursuant to SB 525 (Chapter 890, Statutes of 2023), until one of two events occur:

- If, on or before October 15, 2024, the Department of Finance notifies the Joint Legislative Budget Committee (JLBC) that the Department of Finance has determined that state cash receipts during the first quarter of the fiscal year (July 1 – September 30, 2024) are at least 3 percent higher than the projected amount as of the 2024 Budget Act, specified minimum wage increases will be effective October 15, 2024.
- 2) If DHCS notifies the JLBC that DHCS has begun the data collection necessary to implement a January 1, 2025, Hospital Quality Assurance Fee waiver with the federal government, which would fund increases to supplemental Medi-Cal program payments to hospitals, specified minimum wage increases will be effective the earlier of January 1, 2025, or 15 days after the date of the notification.

Further, the final budget agreement also revises statutory provisions defining a "covered health care employee" and "covered health care facility" subject to the minimum wage increases.

On October 1, 2024, DHCS notified the JLBC that DHCS had initiated the data retrieval required to implement an increase in hospital quality assurance fee revenues for the program beginning on January 1, 2025. According to this notification, the health care minimum wage increases became effective on October 16, 2024, unless a later effective date was specified.

Public Health

State and Local Public Health Infrastructure Investments Largely Protected

The final budget agreement maintains \$276.1 million in ongoing General Fund support to the state and local health jurisdictions for critically needed public health priorities such as modernizing local public health infrastructure and bolstering public health staffing. The May Revision proposed to fully eliminate the \$300 million in ongoing funding, which CSAC in coordination with a broad coalition of local partners actively engaged with the Administration and Legislature to restore. Local health departments retain \$184.1 million (\$15.9 million reduction), and the Department of Public Health retains \$92 million (\$8 million reduction), representing a modest eight percent reduction consistent with other department/agency reductions taken statewide.

Syndromic Surveillance Program

The 2024 Budget Act authorizes the Department of Public Health to develop and administer a syndromic surveillance system to timely detect, monitor, and investigate diseases. Subject to an appropriation, SB 159 (Chapter 40, Statutes of 2024) authorizes the Department of Public Health to designate an existing system or create a new electronic health system to rapidly collect, evaluate, share, and store syndromic surveillance data. General acute care hospitals with emergency departments will be required to submit specified data electronically, unless the hospital reports its data to a local health department which in turn reports that data to the Department of Public Health.

Transition to Health Care Program for Children in Foster Care (HCPCFC)

The final budget agreement adopts the proposed May Revision transition and end of the Child Health and Disability Prevention Program and includes provisional language in budget bill SB 108 (Chapter 35, Statutes of 2024) to provide county flexibility on fund use and reporting of county expenditures during the budget year for administration of HCPCFC and the California Children's Services (CCS) Compliance Monitoring and Oversight Program.

The Governor's January proposal split the \$33.9 million CHDP budget between \$13.1 million for standalone HCPCFC and \$20.8 million for the CCS Monitoring and Oversight Program. However, counties anticipate that more than \$13.1 million statewide will be needed to retain the administrative and medical support to HCPCFC to ensure foster children are provided with adequate health and social services. To provide for county flexibility, the final budget agreement authorizes counties to deviate from the established staffing methodology/allocation by providing a report to DHCS by October 1, 2024, articulating the proposed use of funds to support HCPCFC and CCS Compliance Monitoring and Oversight Program activities. This report is required to be approved through a county's Board of Supervisors prior to submission.

Opioid Settlement Funds

The final budget agreement authorizes expenditure authority from the Opioid Settlements Fund

of \$4 million for the California Bridge Program, which provides grants to hospitals and emergency departments to expand substance use disorder and mental health services. However, the final budget agreement allows for the funding to instead be used for the Naloxone Distribution Project if DHCS receives

federal grant funds of at least \$4 million annually for three years for activities under the California Bridge Program.

Other Key Health and Behavioral Health Budget Outcomes

- Healthcare Workforce Reductions Partially Restored restores \$108.9 million for workforce programs at the Department of Health Care Access and Information (HCAI) to maintain award commitments but allocates those dollars to the fiscal years in which those programs were originally authorized. The May Revision proposed elimination of \$300.9 million in 2023-24, \$302.7 million in 2024-25, \$216 million in 2025-26, \$19 million in 2026-27, and \$16 million in 2027-28 for various healthcare workforce initiatives overseen by HCAI. Additionally, the 2024 Budget Act includes \$40 million supported by MCO tax revenues to strengthen and support the development and retention of the Medi-Cal workforce in 2026-27.
- Behavioral Health Continuum Infrastructure Program (BHCIP) Reduction adopts the May Revision proposal to revert \$450.7 million (\$70 million in 2024-25 and \$380.7 million in 2025-26) in General Fund expenditure authority from the last round (Round 6) of BHCIP, while maintaining \$30 million one-time General Fund in 2024-25. Additional BHCIP rounds will be supported by Proposition 1 bond funding.
- Behavioral Health Bridge Housing (BHBH) Funding Reduction adopts the May Revision proposal to reduce BHBH Program funding by \$340 million total (\$132.5 million in 2024-25 and \$207.5 million in 2025-26), while maintaining \$132.5 million General Fund in 2024-25 and \$117.5 million in 2025-26. This leaves slightly over \$1 billion in funding for this program to address the immediate housing and treatment needs of individuals with serious behavioral health conditions who are experiencing unsheltered homelessness.
- Protects Medi-Cal Expansion Regardless of Immigration Status and Restores IHSS Benefit maintains the expansion of Medi-Cal benefits to all Californians regardless of immigration status, including the In-Home Supportive Services benefit for beneficiaries in this population at any age that was proposed for elimination in the May Revision.
- Temporary Suspension of Medi-Cal County Administration Increases instead of a permanent freeze to funding levels as proposed in the Governor's May Revision, the final budget agreement includes a temporary suspension of the cost of doing business increases for county Medi-Cal eligibility administration from 2024-25 until 2027-28, for county administration of Medi-Cal eligibility functions.
- Children and Youth Behavioral Health Initiative (CYBHI) Investment Reversion reverts unspent General Fund expenditure authority of \$28.8 million from 2023-24 for the CYBHI Public Education and Change Campaign.
- Health Enrollment Navigators for Clinics Funding Restored eliminates \$18 million General Fund from the Health Enrollment Navigators Project but retains \$8 million in remaining funding for Health Enrollment Navigators for Clinics in 2024-25 that was proposed for elimination in the Governor's May Revision. These funds are provided to counties and community-based organizations for Medi-Cal outreach, enrollment, and retention activities.

Human Services Budget Outcomes

CalWORKs

Single Allocation: The CalWORKs Single Allocation is funding that the state provides to counties to
administer the CalWORKs program and funds local eligibility activities, employment and supportive
services for CalWORKs recipients. The final budget agreement rejects the Administration's previously
proposed reduction of the Eligibility Administration component of \$40.8 million in 2023-24 and
ongoing. The final budget agreement also rejects the Administration's previous proposal of a one-

time reduction of \$272 million to the Employment Services component of Single Allocation. The funding for the Single Allocation in 2024-25 does include caseload adjustments and does not include an increase in intensive case management hours that was previously set to occur, with final funding about \$45 million lower than 2023-24.

- Home Visiting: The CalWORKs Home Visiting Program supports the positive health development and outcomes for pregnant and parenting families to improve the rate of exits out of poverty. The final budget agreement includes multi-year reductions to Home Visiting to more closely align with actual utilization of the program. Specifically, the final budget reduces funding by \$30 million in 2023-24, \$25 million in 2024-25 and 2025-26, with full funding restored in 2026-27.
- Mental Health and Substance Abuse Services: The final budget agreement rejects the Governor's May Revision proposal to eliminate all funding for CalWORKs Mental Health and Substance Abuse Services. Instead, the final budget temporarily reduces funding to the program over multiple years to more closely align with actual utilization of the program. Specifically, the final budget reduces funding by \$30 million in 2023-24, \$37 million in 2024-25, and \$26 million in 2024-25, with full funding restored in 2026-27.
- *Family Stabilization:* The final budget agreement rejects the Governor's May Revision proposal to eliminate the Family Stabilization program beginning in 2024-25, and includes full funding for the program.
- Expanded Subsidized Employment (ESE): The final budget agreement reduces funding to ESE over two years to hold funding to the statewide spending level in 2022-23. Specifically, the final budget reduces funding to ESE by \$30 million in 2023-24 and \$37 million in 2024-25, with full funding restored in 2025-26. AB 161 includes language to require counties to submit updated plans and new outcome reporting metrics, including utilization of funds, employment placements and industry sector data, and average earnings of participants. Counties must specify how funds will be utilized to prioritize subsidized employment placements that offer opportunities for participants to obtain skills and experiences in their fields of interest.
- *Maximum Aid Payment (MAP):* The final budget agreement includes a 0.3 percent increase in the MAP, effective October 1, 2024, as proposed in the May Revision. This reflects the revenues available for an increase in the Child Poverty and Family Supplemental Support Subaccount.
- *TANF Pilot Program:* The final budget agreement includes language that allows for up to \$2.4 million General Fund to be spent should California be selected for the federal pilot project authorized by the Fiscal Responsibility Act of 2023 that allows up to five states to be selected to test alternative performance metrics within the TANF program. The human services trailer bill (AB 161) includes language that requires CDSS to work with stakeholders on the application and to consider policy changes that align with the application.

Child Welfare and Foster Care

- Foster Care Caregiver Approvals: The final budget agreement rejects the Governor's May Revision
 proposal to eliminate \$50 million ongoing for county child welfare agencies to complete approvals for
 foster caregivers and instead maintains full funding. AB 161 extends the timeframe from 90 days to
 120 days for Resource Family Approval application processing in alignment with the timeframe for
 emergency caregiver funding.
- Family Urgent Response System (FURS): The final budget agreement rejects the Governor's January Budget proposal to eliminate \$30 million ongoing for FURS and instead maintains full funding for this program that provides immediate crisis support to foster youth and caregivers.
- Supervised Independent Living Program (SILP) Supplement: The final budget agreement includes the Governor's January Budget proposal to eliminate \$25.5 million (\$18.8 million General Fund) ongoing for a housing supplement for foster youth placed in a SILP starting in 2025-26 (\$258,000 will be

provided in 2024-25). Rather, increased housing supports will be provided directly to youth placed in a SILP through the implementation of the new foster care rates.

- *Housing Navigation and Maintenance Program:* The final budget agreement rejects the Administration's proposal to reduce funding by \$13.7 million ongoing for the Housing Navigation and Maintenance Program. This program helps young adults between 18 to 21 years secure and maintain housing, with a priority given to young adults in the foster care system.
- Excellence in Family Finding, Engagement, and Support Program: AB 161 contains language that will assist small counties in accessing funding for the Excellence in Family Finding, Engagement, and Support Program. For those counties that do not have sufficient caseload for a full-time family finding worker, they will now be able to submit a written request for authorization to use program funding for a portion of a full-time position for family finding activities.

Child Support

- Local Child Support Agency Funding: The final budget agreement reduces local child support agency funding by \$6 million in 2023-24, 2024-25, and 2025-26. This is less than the \$10 million reduction proposed in the Legislature's budget plan and is intended to more closely align with actual utilization of the program.
- *Child Support Full Pass-Through:* The final budget agreement includes Supplemental Report Language related to infrastructure and other components necessary to implement the full pass-through of child support to families currently receiving CalWORKs.

Child Care

- Subsidized Child Care Slot Expansion: The final budget agreement delays the multi-year expansion of subsidized child care slots originally committed to through the 2021 Budget Act by two years, delaying the goal to increase subsidized child care slots by 200,000 until 2028. Approximately 119,000 subsidized child care slots have been added to date. The final budget agreement fully funds approximately 11,000 general child care slots beginning October 1, 2024, for which award letters were issued for this spring.
- *Emergency Child Care Bridge Program:* The Emergency Child Care Bridge Program facilitates the placement of children within the foster care system into a stable child care setting. The final budget agreement rejects the proposed ongoing reduction of \$34.8 million General Fund included in the Governor's May Revision, preserving total General Fund funding for the program at \$83.4 million ongoing.

Adult Protective Services (APS)

- APS Expansion: The Adult Protective Services Expansion was enacted in 2021 and lowered the population served by APS from 65 to 60 years of age. In addition, it allowed for increasing social worker staffing to provide long-term case management for individuals with more complex needs. The final budget agreement rejects the proposed ongoing \$39.3 million cut that would have gone into effect 2024- 25. Instead, the final budget includes the full funding of \$70 million General Fund for APS Expansion in 2024-25.
- *APS Training:* The final budget agreement rejects the almost complete elimination of funding to support APS training included in the Governor's May Revision. Rather, the final budget includes \$9.4 million (\$4.6 million General Fund) for APS training in 2024-25.

Aging Services

• Older Californians Act Senior Nutrition: The final budget agreement rejects the Governor's May Revision proposal to eliminate Older Californians Act Modernization funding for senior nutrition by \$37.2 million in 2024-25, 2025-26, and 2026-27.

• Older Adult Behavioral Health Initiative: The final budget agreement includes a reduction for the Older Adult Behavioral Health Initiative of \$35.4 million General Fund over three years (\$5.4 million in 2023-24, \$20 million in 2024-25, and \$10 million in 2025-26) as proposed in the Governor's May Revision. Additionally, the agreement reduces funding for the media campaign component by \$8 million General Fund in 2023-24.

Nutrition Assistance

- California Food Assistance Program Expansion: The California Food Assistance Program (CFAP) provides CalFresh food benefits for non-citizens who do not qualify for federal benefits. The 2022 Budget Act included funding to expand CFAP to all income-eligible Californians, age 55 years or older, regardless of their immigration status. The final budget agreement includes the two-year delay in CFAP expansion, as proposed in the Governor's May Revision, until October 1, 2027.
- *Electronics Benefit Transfer (EBT) Theft:* AB 161 includes language that prevents CalFresh recipients from incurring any loss of nutrition benefits to EBT theft and requires CDSS to establish a protocol to use state funds to replace stolen nutrition benefits. AB 161 also requires counties to replace eligible, electronically stolen benefits as soon as administratively feasible, but no later than ten business days following the receipt of the replacement request.
- *CalFresh Minimum Nutrition Benefit Pilot:* The CalFresh Minimum Nutrition Benefit Pilot Program would provide eligible CalFresh recipients with a minimum monthly benefit of \$50 over 12 months, increasing from \$23. The final budget agreement rejects the May Revision proposal to eliminate the program and instead provides \$15 million for the pilot in 2024-25.
- Work Incentive Nutrition Supplement Program: The Work Incentive Nutrition Supplemental (WINS)
 Program provides \$10 per month supplemental food benefits to working families who receive
 CalFresh benefits but do not receive CalWORKs benefits. The final budget agreement rejects the May
 Revision proposal to reduce funding for WINS by \$25 million in 2025-26, which would have
 eliminated the program. Rather, the final budget includes full funding for WINS.

Homelessness Budget Outcomes

CSAC continued to advocate for ongoing and sustainable homelessness funding consistent with the AT HOME plan, which also calls for clear accountability at all levels of government. In this difficult budget year, the path for additional funding for the Homeless Housing, Assistance and Prevention (HHAP) program was uncertain, as no funding beyond the current Round 5 was included in the Governor's January budget proposal or May Revision. The final budget agreement includes the \$1 billion for Round 6 of HHAP that was contained in the Legislature's budget plan. The strong and sustained advocacy from counties about how critical this funding is to the progress we are collectively achieving at the local level was essential in securing this funding.

HHAP Program

The final budget agreement provides \$1 billion for a Round 6 of the HHAP program, which provides flexible funding to counties, large cities, and continuums of care (CoCs) to address homelessness in local communities. Unfortunately, the 2024 Budget Act also adopted a proposal from the Governor's May Revision budget to cut \$260 million from HHAP Round 5 supplemental funding that was originally bonus funding in prior HHAP rounds. The housing trailer bill (AB 166) outlines the implementation of Round 6 of the HHAP program. Round 6 continues many of the core elements of Round 5. This includes the funding distribution (city/CoC/county breakdown, point-in-time count allocation methodology, supplemental Homekey funding) and collaboration requirements (regional homelessness action plan, joint application, identification of roles and responsibilities, signed MOU). In addition, contained in AB 166 are changes to program administration, regional plans, funding, and accountability. More details about those provisions can be found in this article.

Encampment Resolution Funding

The final budget agreement provides \$150 million in 2024-25 and \$100 million in 2025-26 for the Encampment Resolution Funding program, which provides competitive grants to address homeless encampments and provide support for residents to move toward permanent housing. Half of the funding is reserved for projects that address state rights-of-way. AB 166 outlines administration and accountability for these grants. Administration of the program is transferred from Cal-ICH to HCD and the program is added to the list of programs where the Attorney General can be notified for taking action against local jurisdictions for violations of state law similar to HHAP. Monthly and annual reports that detail uses of funding, how many individuals are served, and housing exits will be required.

Bringing Families Home (BFH) Program

BFH provides housing-related supports to child welfare involved families and those at risk of homelessness. The final budget agreement rejects the Governor's May Revision proposal to revert \$80 million General Fund from 2022-23. Instead, the final budget delays \$40 million until 2025-26 and another \$40 million until 2026-27. The human services budget trailer bill (AB 161) also includes language to extend the county match waiver of funds through June 30, 2027.

Home Safe Program

Home Safe helps prevent homelessness for victims of elder and dependent adult abuse and neglect served by APS. The final budget agreement rejects the Governor's May Revision proposal to eliminate \$65 million General Fund for Home Safe. Instead, the final budget reappropriates up to \$92.5 million General Fund for Home Safe from 2022-23, available for expenditure until June 30, 2026. AB 161 extends the grantee match waiver of one-time funds appropriated for Home Safe until June 30, 2026.

Housing and Disability Advocacy Program (HDAP)

HDAP serves people who are homeless or at risk of homelessness and are likely eligible for disability benefits and housing supports. The final budget agreement reappropriates up to \$100 million General Fund from 2022-23, available for spending until June 30, 2026. The agreement also approves the May Revision proposal to revert \$50 million General Fund from 2022-23. AB 161 permanently removes the baseline match requirement for grantees of funds from HDAP, effective July 1, 2024, and extends the waiver requirement to seek reimbursement of federal funds to June 30, 2026.

LEGISLATIVE OUTCOMES

AB 366 (Petrie-Norris) – County human services agencies: workforce development. Vetoed.

This measure, which was <u>vetoed by Governor Newsom</u>, would have helped reduce barriers to address workforce shortages in county human services programs by allowing counties who use the stateadministered Merit System for job applications to use an alternative test, known as an Education and Experience examination, to screen applicants and establish eligibility for recruitment of new staff, and advance existing staff. This examination is similar to those already used in state hiring. CSAC submitted a <u>Request for Signature</u> letter to the Governor on AB 366.

AB 1168 (Bennett) – Emergency medical services (EMS): prehospital EMS. Vetoed.

This measure, which was <u>vetoed by Governor Newsom</u>, would have overturned extensive legal action to give the City of Oxnard Section .201 rights, fragmenting the EMS system in Ventura County and opening the door for other jurisdictions to follow suit when unsuccessful in the courts. Counties are required by the EMS Act to create a local EMS system that is timely, safe, and equitable for all residents. To do so, counties honor .201 authorities and contract with both public and private agencies to ensure coverage of underserved areas regardless of the challenges inherent in providing uniform services throughout geographically diverse areas. AB 1168 would have overturned years of case law and agreements between cities and a county regarding the provision of emergency services, created major uncertainty for counties who are the responsible local government entity for providing equitable emergency medical services for all of their residents, and could have ultimately led to fragmented and inequitable EMS statewide. Along with UCC and RCRC, CSAC submitted a <u>Request for Veto</u> letter to the Governor on AB 1168.

AB 1948 (Rendon) – Homeless multidisciplinary personnel teams. Signed.

This measure, which was signed by Governor Newsom, deletes the January 1, 2025 sunset date on current statute that gives seven counties the authority to exchange personal information of individuals at risk of experiencing homelessness for the purposes of service delivery and prevention, and expands that authority to the County of San Mateo. Prior to the passage of Assembly Bill 728 (Chapter 337, Statutes of 2019), counties only had statutory authority to share data within multidisciplinary personnel teams (MDT) for individuals who are homeless. AB 728 expanded MDT authority to include sharing of information for individuals at risk of homelessness while maintaining strong privacy protections, allowing coordination among personnel in county agencies to keep individuals safely housed. AB 728 included a sunset date of January 1, 2025, meaning counties currently operating these MDTs would have soon lost a critical tool utilized for early intervention and homelessness prevention. CSAC submitted a <u>Request for Signature</u> letter to the Governor on AB 1948.

AB 1975 (Bonta) – Medi-Cal: medically supportive food and nutrition interventions. Vetoed.

This measure, which was <u>vetoed by Governor Newsom</u>, would have, upon appropriation by the Legislature and subject to federal approval, made medically supportive food and nutrition interventions a covered benefit under Medi-Cal fee-for service and managed care delivery systems. Medically tailored meals and supportive food are currently included as one of the 14 pre-approved Community Supports available through CalAIM, but not all Medi-Cal Managed Care Plans offer this benefit and the federal approval to offer this benefit is currently only effective through December 31, 2026. CSAC submitted a <u>Request for Signature</u> letter to the Governor on AB 1975.

AB 2484 (Bryan) – Courts: juveniles: remote proceedings. Signed.

This measure, which was signed by Governor Newsom, will allow for the remote appearance of expert witnesses in juvenile dependency proceedings without the consent of all parties. Currently, any party in a juvenile dependency case may request to appear remotely, but witnesses may only provide testimony if all parties consent to the remote appearance. As a result, parties can force in-person witness testimony, increasing the costs of obtaining expert testimony and disproportionately impacting low-income families and those living in rural areas. AB 2484 creates a narrow exception to this requirement and advances equity within these proceedings by ensuring that parties may secure witness testimony, regardless of their ability to pay for the travel costs and fees associated with in-person expert testimony. CSAC submitted a <u>Request for Signature</u> letter to the Governor on AB 2484.

AB 2496 (Pellerin) – Foster family agencies and noncustodial adoption agencies. Signed.

This measure, which was signed by Governor Newsom, gives the California Department of Social Services (CDSS) the authority to streamline the process of transferring resource family home approval from a Foster Family Agency (FFA) that closes to the county or another FFA, prohibits the use of certain types of indemnification contracts between counties and FFAs for two years, and establishes a process to find a solution to the lack of liability insurance options for FFAs. The author brought forward this measure in response to an announcement made earlier this year by the Nonprofit Insurance Alliance of California (NIAC), which insures about 90 percent of FFAs in the state, that they would no longer renew insurance coverage for

FFAs. CSAC opposed a previous version of this bill. However, after good faith negotiations with the author and sponsors of the measure, AB 2496 was amended to include a two-year sunset provision on the indemnification prohibition and add the language to streamline the transfer of resource family home approval. As a result, CSAC, along with RCRC and UCC, <u>dropped our opposition</u> to AB 2496 prior to its passage in the Legislature.

AB 2704 (Zbur) – In-home supportive services: criminal background checks. Vetoed.

This measure, which was <u>vetoed by Governor Newsom</u>, would have waived the Department of Justice (DOJ) criminal background check fee for in-home supportive services (IHSS) providers without shifting the financial burden to counties. In order to become an IHSS provider in California, applicants must submit fingerprint images to the DOJ for a criminal background check. The DOJ currently sets this fee at \$32, which is in addition to third-party vendor costs to perform fingerprinting. This cost creates a financial barrier for those seeking to become IHSS providers, many of which are low-income. AB 2704 would have removed a financial barrier to becoming an IHSS provider, helping ensure California has a qualified and prepared workforce to meet the needs of the growing IHSS recipient population. CSAC submitted a <u>Request for Signature</u> letter on AB 2704.

AB 2871 (Maeinschein) – Overdose fatality review teams. Signed.

This measure, which was signed by Governor Newsom, will allow a county or regional group of counties to establish interagency overdose fatality review teams to engage in system-wide team review when there is a drug fatality, promote information sharing between county agencies and local stakeholders and experts, and strengthen the integration of local prevention efforts. Existing death review teams authorized under current law, such as teams for children, domestic violence, and elder abuse, have yielded tremendous results and influenced system-wide policy changes. AB 2871 builds on these successful models and provides the specific statutory authorization needed to create overdose fatality review teams, which will allow for greater sharing of information needed to further identify issues and gaps in addressing the overdose fatality crisis. CSAC submitted a <u>Request for Signature</u> letter to the Governor on AB 2871.

AB 2967 (Ting) – Teacher Housing Act of 2016: nonprofit organization employees. Signed.

This measure, which was signed by Governor Newsom, will expand the types of educators eligible for a housing preference under the Teacher Housing Act of 2016 to include employees of nonprofit organizations operating early childhood, pre-kindergarten, or school-aged child care programs on school district property. This measure will provide communities with the opportunity to offer safe and affordable housing for essential child care and early childhood workers within the communities they work. CSAC submitted a <u>Request for Signature</u> letter on AB 2967.

<u>SB 37 (Caballero)</u> – Older Adults and Adults with Disabilities Housing Stability Act. Vetoed

This measure, which was <u>vetoed by Governor Newsom</u>, would have, upon appropriation of the Legislature, established the Older Adults and Adults with Disabilities Housing Stability Pilot Program. The pilot program would have offered competitive grants in up to five geographic regions or counties to administer housing subsidies for older adults and adults with disabilities who are experiencing homelessness or at risk of homelessness. SB 37 aligned with CSAC's AT HOME plan and would have provided a tool to housing and preventing new entrances into homelessness among California's aging and dependent adult populations. CSAC submitted a <u>Request for Signature</u> letter to the Governor on SB 37.

<u>SB 42 (Umberg)</u> – CARE Court Program: process and proceedings. *Signed*.

This measure, which was signed by Governor Newsom, would make various changes to the CARE Act. Among other things, SB 42 clarifies what evidence may establish a respondent's eligibility for CARE proceedings; reduces a CARE court's obligation to inform the respondent of their rights; requires a CARE petition's dismissal to be without prejudice unless specific criteria are met; and gives original petitioners the right to

notice of ongoing CARE proceedings unless the court specifically finds that notice would be detrimental to the respondent. Although CSAC did not take a formal position on this bill, CSAC was actively engaged with the Administration and legislative staff on this measure.

SB 1238 (Eggman) – Health facilities. Signed.

This measure, which was signed by Governor Newsom, expands the definition of a "designated facility" or "facility designated by the county for evaluation and treatment" for the purposes of an involuntary hold under the Lanterman-Petric-Short (LPS) Act to include additional facilities. This measure was referred to as a "clean-up" measure to SB 43 (Chapter 637, Statutes of 2023), which expanded the definition of "gravely disabled" to also include a condition in which a person is unable to provide for their personal safety, medical care, and basic needs as a result of a severe substance use disorder (SUD), or a co-occurring Mental Health (MH)/SUD. Although CSAC did not have an official position, CSAC actively engaged with the Administration and the Legislature on this measure.

<u>SB 1249 (Roth)</u> – Mello-Granlund Older Californians Act. *Signed*.

This measure, which was signed by Governor Newsom, moves forward several recommendations of the California Department of Aging (CDA) CA 2030 Steering Committee to create a future-ready aging network in California. Specifically, SB 1249 establishes CDA-led stakeholder process to identify core programs and services, develop objectives and performance measurements for those core programs and services, develop a consumer engagement plan, and update the intrastate funding formula for area agencies on aging (AAAs). In addition, it requires CDA to work with stakeholders to establish criteria for applying for a AAA designation and removing a AAA designation. Following the rulemaking process for that criteria, a county would be able to submit a letter of intent to be considered for designation. CSAC had a position of <u>support in concept</u> on this legislation.

<u>SB 1319 (Wahab)</u> – Skilled nursing facilities: approval to provide therapeutic behavioral health programs. *Vetoed.*

This measure, which was <u>vetoed by Governor Newsom</u>, would have streamlined the approval process for skilled nursing facilities (SNFs) seeking to offer behavioral health services for residents by creating a process for SNFs to apply simultaneously to the multiple state departments that require approval for a SNF to provide special treatment program services. Currently, SNFs looking to convert or expand existing facilities to offer special treatment program services for patients with chronic psychiatric impairments must obtain approvals from three different state departments, resulting in a protracted and costly process for providers seeking to offer this level of care. SB 1319 sought to simplify and expedite the approval process for building or converting SNF units to special treatment program service units, reducing an administrative barrier that prevents the efficient buildout of these much-needed treatment beds. CSAC submitted a <u>Request for Signature</u> letter to the Governor on SB 1319.

<u>SB 1400 (Stern)</u> – Criminal procedure: competence to stand trial. Signed.

This measure, which was signed by Governor Newsom, requires hearings for misdemeanor incompetent to stand trial (IST) defendants, and amongst other provisions, would make considerable changes to the data collection and reporting requirements of the Community Assistance, Recovery and Empowerment (CARE) Act. County concerns to SB 1400 largely related to the late-breaking and significant changes made to the bill without any county engagement on the proposed new data collection and reporting requirements under the CARE Act. The amendments directly impact county behavioral health agencies by requiring that they report specified data elements for both active and former CARE participants, which creates potentially invasive tracking, alongside increased pressure to county administrative functions. Notably, some of the added requirements are not Medi-Cal reimbursable activities and some of the data counties do not have access to. Given that the bill was substantially amended during the final week of session, with no notice given

or input sought from counties, further amendments were not possible. CSAC was part of a coalition including UCC, RCRC, and the County Behavioral Health Directors Association (CBHDA) with an oppose unless amended position on SB 1400. The coalition also sent a <u>letter of concern</u> to the Governor.

CSAC Staff Contacts

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