



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Social Services
Department No.: 044
For Agenda Of: February 13, 2024
Placement: Departmental
Estimated Time: 20 minutes
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors
FROM: Department Daniel Nielson, Director
Director(s) Department of Social Services
Contact Info: Rachel Lipman, Assistant Director
Maria Gardner, Assistant Director
Amy Krueger, Assistant Director

SUBJECT: CalFresh Program Augmentation

County Counsel Concurrence

As to form: Yes

Other Concurrence: Human Resources

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Adopt a resolution amending the Salary Resolution to allocate 86 positions to the Department of Social Services, effective February 19, 2024 (Attachment A);
- b) Approve Budget Revision Request No. 0009540 to increase appropriations of \$1,436,000 in the Social Services Department, Social Services Fund for Salaries and Employee Benefits funded by unanticipated revenue from the State of California for the administration of the CalFresh Program (4/5 vote required) (Attachment B);
- c) Determine that the above actions are government fiscal activities or funding mechanisms which do not involve any commitment to any specific project which may result in potential physical impacts on the environment, and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(4) of the CEQA guidelines.

Summary Text:

The Department of Social Services (DSS) requests the addition of 86 positions (65 funded and 21 unfunded), to administer the CalFresh Program and deliver protective services to adults and children. The Cal Fresh Program positions will be funded through revenue resulting from the State's new allocation methodology, and the protective services positions will be funded through existing allocations. The annualized costs for the new positions are primarily funded by State and federal funds.

Background:

The Department of Social Services (DSS) is governed primarily by federal and State mandates to provide services and programs critical to delivering a countywide system of health, security, and safety for vulnerable county residents. The costs of providing these services and programs are generally funded by a combination of federal, State, and county funds.

The State establishes appropriations for public assistance and social services programs annually following the approval of the Budget Act. Additionally, through the process of realignment, the State apportions sales tax and Vehicle License Fee revenues to counties to support a range of public safety, health, and social services programs. The California Department of Social Services (CDSS), which employs a State-supervised county-operated public assistance system, issues funding allocations to counties throughout the fiscal year to support the provision of public assistance and social services programs; this typically occurs in the fall for major allocations, such as those for CalFresh and Medi-Cal, and subsequent to the adoption of the County's budget by the Board of Supervisors.

CalFresh Program Overview

CalFresh is the State's implementation of the federal Supplemental Nutrition Assistance Program (SNAP). The federal government fully funds CalFresh benefits and pays 50 percent of California counties' costs to administer the program. The State and counties share the balance of administrative costs (35 percent and 15 percent, respectively). CalFresh currently assists over 60,000 county residents in more than 31,000 households, reaching 13.5 percent, or one in 7 county residents. CDSS estimates that Santa Barbara County's participation level is approximately 70 percent of those potentially eligible for the program.

Food insecurity has been linked to chronic physical and mental health problems, and in children, lower academic performance and lifetime earnings. CalFresh is the largest, most impactful program available in California to fight food insecurity. The majority of CalFresh recipients are children, working adults, disabled, and elderly. Benefits are spent at local grocery stores and farmers markets, generating \$1.79 in local economic activity for every dollar of benefits.

CalFresh Historical Underfunding

CalFresh administration has been historically underfunded (i.e., county allocations have been determined at the State level using cost-of-doing-business methodologies first implemented over 20 years ago) and, as a result, county human service agencies have been unable to align their staffing resources with their growing caseloads. Due to recessionary policies adopted in early 2000s to reduce state costs, cost-of-living adjustments have not been given and caseload increases remained based on costs from the 2000s; only covering about 60% of current costs.

For the County, this funding methodology has resulted in inadequate staffing levels to meet the community's demand for services, and clients have experienced long wait times and delays in processing reported changes resulting in inaccurate benefit levels. Underfunding has also resulted in corrective action plans with CDSS regarding efficiency and effectiveness measures the U.S. Department of Agriculture, which administers SNAP at the federal level, imposes on it. These measures include timely processing of applications, accuracy of notices and benefits, and access to the program. DSS is currently addressing three corrective action plans: (1) 3-Day Application Processing for CalFresh Expedited Services; (2) 30-Day Application Processing for regular CalFresh; and (3) a comprehensive corrective action plan related to the recent CalFresh Program Access Management Evaluation (ME). In the ME, the following areas of improvement were noted: intake and recertification interviews, online applications, telephone services,

and case actions. In order to exit the 3-Day Application Processing and 30-Day Application Processing corrective action plans, the Department must achieve 90% compliance in these areas for two consecutive quarters.

Change in CalFresh Funding Methodology

In recognition of the long-standing and growing funding shortfall, in FY 2023-24, the State implemented a change to its CalFresh administrative funding methodology. Assembly Bill 79 (Chapter 11, Statutes of 2019) required the California Department of Social Services (CDSS), in partnership with representatives of county human services agencies and the County Welfare Directors Association of California (CWDA), to update the allocation methodology used to determine the annual funding for county administration of the CalFresh program beginning with FY 2021-22. The development of the revised methodology was delayed due to the COVID-19 crisis and finalized for FY 2023-24. The revised methodology had no impact on the aforementioned cost sharing ratios.

On November 9, 2023, CDSS issued notification of implementation of the new methodology for the CalFresh administrative funding allocation through County Fiscal Letter Number 23/24-24. For Santa Barbara County, the new methodology results in a maximum additional allocation of \$8.82 million in federal and State funding over the level anticipated in the FY 2023-24 budget. This amount would require \$1.03 million in County matching funds should DSS spend the entire additional allocation. The new methodology is based on the results of a statewide survey of 50 counties, which was used to update assumptions for annual eligibility worker costs, annual productive work hours, and the time required to complete mandated eligibility functions. In addition to updating funding based on current costs of doing business, the new methodology also factors in activities performed by eligibility workers that are not reflected in caseload numbers, such as work on applications that are denied, quality control, and other administrative tasks associated with economic assistance workload.

To ensure this methodology stays current and relevant, Welfare and Institutions Code section 18900.8 requires CDSS, in partnership with county human services agencies and CWDA, to reassess the budgeting methodology every three years. The updated methodology and resulting funding allocations will enable DSS to better align staffing resources with existing workload and improve audit performance.

Augmentation of CalFresh Program Administration

DSS is requesting to utilize part of the additional CalFresh funding associated with the State's new methodology to increase program staffing, which will assist in meeting programmatic efficiency and effectiveness targets and allow for more frequent and comprehensive staff training.

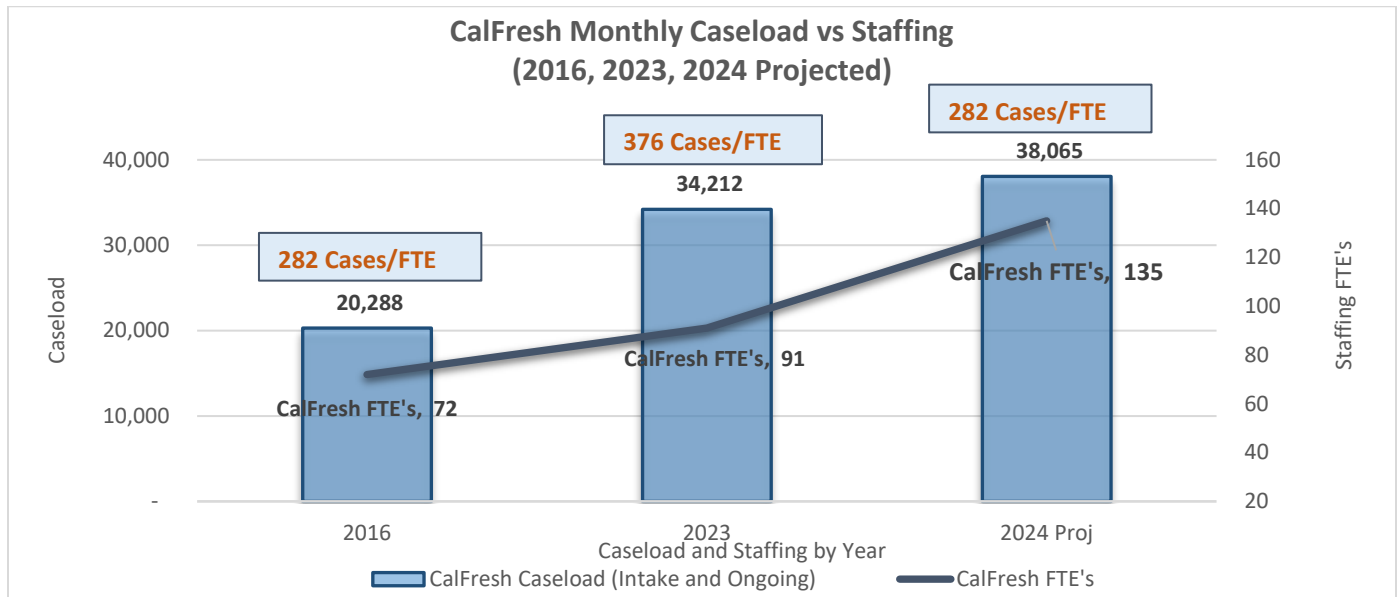
Request to add 50 line staff:

- Forty-four (44) Eligibility Worker FTEs
- Three (3) Eligibility Worker Supervisors FTEs
- Three (3) Eligibility Worker III (Lead workers) FTEs

Request to add 9 support staff:

- Two (2) Department Business Specialists FTEs
- Four (4) Administrative Office Professional I/II FTEs
- Two (2) Computer Systems Specialists I FTEs
- One (1) Utility Clerk FTE

As illustrated in the following graph, from 2016 to 2023, DSS had a 69 percent increase in the intake and ongoing CalFresh caseload and only a 28 percent increase in the intake and ongoing CalFresh staffing. The requested increase of 44 Eligibility Workers would bring the projected FY 2024-25 CalFresh Caseload growth and Eligibility Worker growth in alignment to 88 percent growth in each area since 2016.



Augmentation of Adult and Children’s Services

Adding staff to the CalFresh Program will change the allocation of DSS administrative costs to its divisions, and specifically reduce the allocation to Adult and Children’s Services. It is anticipated that the reduction in overhead costs combined with unanticipated growth in 2011 Realignment revenue this fiscal year will free up ongoing resources to address staffing needs in this division. Therefore, DSS is requesting to add 3 line staff and 3 support staff in its Adult and Children’s Services Division.

Request to add 3 line staff:

- One (1) Social Services Supervisor II FTE for Child Welfare Services
- Two (2) Social Service Workers FTEs for Adult Protective Services

Request to add 3 support staff:

- One (1) Department Business Specialist FTE for Adult Protective Services
- One (1) Administrative Office Professional I FTE for the In-Home Supportive Services Public Authority
- One (1) Administrative Office Professional Sr. for Adult Protective Services

Addition of Unfunded Positions

In addition to the 59 funded positions for CalFresh and 6 funded positions for Adult and Children’s Services, DSS is requesting to add 21 unfunded positions that will allow DSS the flexibility to maximize State and federal funding and increase operational efficiencies related to onboarding eligibility and administrative staff. Because annual CDSS funding allocations are not fully developed at the time of

County budget development, it is possible that additional funding or redistribution of funding could occur during the fiscal year, and DSS uses unfunded positions to maximize ongoing revenues that become available mid-year. DSS is also able to create efficiencies during the recruitment and hiring process by temporarily using unfunded positions to allow for overlap for knowledge transfer and training, as well as starting the recruitment process for anticipated openings before the incumbents have vacated their positions.

Request to add 21 unfunded positions:

- Thirteen (13) EW I/II's
- Five (5) Team Project LDR-Gen
- Two (2) DBS I/II's
- One (1) Social Services SUPV II

The 13 requested unfunded Eligibility Worker positions will allow the Department to fully implement the KPMG recommendation (Succession Planning 7.2) to shorten induction training and increase the frequency of training. As such, the recruitment and hiring process would be more efficient if the Department had additional unfunded Eligibility Worker positions at the ready instead of having to wait for actual vacancies to stand up a training class. As attrition occurs, staff are quickly moved from the unfunded to funded positions so the fiscal impact is negligible.

The remaining 8 unfunded positions will provide flexibility in hiring to allow for overlap periods for succession planning as well as allow the Department to establish specialized positions in certain program areas when a special project or program needs to be implemented.

The Department uses multiple methods to monitor revenues and expenses, including reviewing actual revenues received against expenses, performing bi-weekly analysis of projected spending based on point-in-time staffing, assessing local and statewide revenue and funding trends, and analyzing impacts of State policy and funding letters. These strategies allow the Department to maximize revenues and staffing levels consistent with workload demands while maintaining a low-risk fiscal position. Maintaining a set of unfunded positions gives the Department the flexibility to increase staffing should additional appropriations become available and to more efficiently onboard and train staff in the eligibility area.

Fiscal and Facilities Fiscal and Facilities Impacts:

Budgeted: Budget Revision Included

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>
County	\$ 189,000.00	\$ 778,000.00
Local Revenue Fund 2011	\$ -	\$ 510,000.00
State	\$ 592,000.00	\$ 1,914,000.00
Federal	\$ 655,000.00	\$ 2,700,000.00
Total	\$ 1,436,000.00	\$ 5,902,000.00

Narrative:

The cost to fund the requested positions in the current fiscal year is approximately \$1.43 million, of which \$1.25 million will be offset by federal and State sources and \$189,000 by General Fund Contribution

(GFC). DSS will shift GFC to cover the county share of CalFresh administration costs from Adult and Children’s Services programs due to unanticipated growth in 2011 Realignment revenues, which can be used to cover the non-federal share of realigned programs. As such, DSS does not anticipate any impact to the General Fund in the current fiscal year.

Budget Revision Request No. 0009540 increases appropriations of \$1,436,000 in the Social Services Fund for Salaries and Employee Benefits funded by unanticipated revenue from the State of California for the administration of the CalFresh Program and unanticipated 2011 Realignment revenue.

The total cost to fund these positions in FY 2024-25, based on budget development assumptions built in the salary model, is approximately \$5.90 million, of which \$4.61 million will be offset by federal and State sources and \$778,000 by GFC. DSS does not anticipate any impact to the General Fund in FY 2024-25. DSS has included these positions in the requested budget.

Staffing Impacts:

Legal Positions:

86

FTEs:

65

Special Instructions:

Please scan, email, and send a copy of the minute order and fully executed salary resolution to:

DSS Fiscal Division-Procurement Unit
c/o Tricia Beebe, Procurement Supervisor
2125 S. Centerpointe Pkwy., Third Floor
Santa Maria, CA 93455
TBeebe@countyofsb.org

Attachments:

- A. Salary Resolution
- B. Budget Revision Request No. 0009540

Authored by:

Heather Gardner, Data Analytics & Operations Support Manager, DSS
A.J. Quinoveva, Chief Financial Officer, DSS