

CALIFORNIA BUDGET PROJECT

# STRETCHED THIN 2008:

State Budget Cuts Undermine California's  
Human Services Programs

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# California Budget Project

The CBP was founded in 1994 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The CBP engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians. Support for the CBP comes from foundation grants, publications, and individual contributions.

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# EXECUTIVE SUMMARY

California's policymakers once again face a budget crisis of significant magnitude. Efforts to balance past state budgets have resulted in substantial cuts to funding for public services. In particular, a number of these reductions have targeted programs that counties operate on the state's behalf and that provide critical services to California's children, families, and seniors.

Policymakers have not – by and large – eliminated services or tightened eligibility requirements in these programs. Instead, the state has left counties in a bind, in essence asking them to do more with less. The state's failure to provide funding for increases in counties' basic operating costs – such as gasoline, rent, and employees' health coverage – adds up to a funding shortfall that now exceeds \$1 billion per year when forgone federal funds are taken into account. Because the state's population and the cost of delivering services continue to rise, these cuts contribute to a funding squeeze on county-operated programs. In some cases, counties have used local dollars to help make up for a portion of state funding cuts. However, counties' ability to maintain this funding is eroding as local revenues, particularly property tax and sales tax collections, stagnate due to the turmoil in the housing market and the economic downturn.

The consequences of the funding squeeze are largely hidden from view, particularly in the context of state budget debates. *Stretched Thin 2008* examines what this funding squeeze means for vulnerable children, families, and seniors based on a 13-county survey developed by the CBP and the County Welfare Directors Association of California. This report picks up the story where the original *Stretched Thin* left off in 2004, analyzing the impact of additional funding cuts made between 2004-05 and 2007-08 – cuts that targeted all major county-operated programs except the Medi-Cal Program. *Stretched Thin 2008* makes two key findings:

- First, multiple years of state funding reductions have undermined seven critical human services programs that the counties operate under state guidelines, including programs that assist children and adults who are at risk of abuse or neglect and that help frail seniors and people with disabilities live safely in their own homes.
- Second, counties generally reported positive results in the Medi-Cal Program – the only program that received state funding to support counties' increased operating costs between 2003-04 and 2007-08. This finding suggests that adequate state funding is a crucial component of counties' ability to deliver services effectively and meet program performance goals.

## Counties Continue To Face a Funding Squeeze

The state's chronic budget problems continue to take a toll on county-operated programs, particularly human services programs, which have been deeply affected by state funding cuts in recent years.

- **The state has not provided funding to cover counties' rising operating expenses for most programs since 2000-01.** Inflation affects counties in the same way that it affects families – by eroding the purchasing power of their incomes. Prices that counties pay for fuel, utilities, employee health coverage, and other basic operating costs generally rise each year. Nonetheless, the state has not provided counties with funding to cover their actual operating costs for most human services programs since 2000-01, effectively requiring counties to do more with less. The Governor proposes to continue this policy by eliminating state funding for counties' operating-cost increases in human

services programs in 2008-09. In addition, the Governor proposes to eliminate state funding for counties' operating-cost increases in the Medi-Cal Program for the first time since 2002-03. Under these proposals, counties would receive \$1.1 billion (\$681.5 million General Fund) *less* to operate these programs in 2008-09 than if state funding increases had been provided each year since 2000-01.

- **The state has directly cut funding for county-operated programs and could make additional cuts in 2008-09.** In addition to generally failing to provide counties with funding for increased operating costs, the state has made a number of direct cuts to funding for county-operated human services programs in recent years. These cuts have hindered counties' ability to maintain adequate staffing levels and to effectively deliver services to eligible Californians. The Governor has proposed additional funding cuts for a number of county-operated human services programs as well as the Medi-Cal Program in 2008-09.

## Counties Have Tightened Their Belts in Response to State Funding Cuts

Rising costs, combined with reductions in state funding, have put mounting pressure on county budgets. In response, counties have tightened their belts by reducing spending on basic operating costs and contracts with community-based organizations. Moreover, staff positions have been eliminated and left vacant, even as programs remain understaffed.

- **Counties have reduced spending on basic operating costs.** Counties have reduced spending on basic operating costs, including overtime, staff training, and information technology support. Surveyed counties reported that they reduced spending on basic operating costs by a total of more than \$100 million between 2004-05 and 2007-08.
- **Counties have reduced spending on contracts with community-based organizations.** Many counties depend on community partners to provide services that address clients' multiple needs and extend the reach of state programs that assist vulnerable children, families, and adults. Due to state funding cuts, counties have reduced spending on contracts with community-based organizations, including those that provide services to families in the Child Welfare Services system. Surveyed counties reported that they reduced spending on contracts with community partners by a total of more than \$37 million between 2004-05 and 2007-08.
- **Staff positions have been eliminated and left vacant, even as programs remain understaffed.** In each of the seven human services programs included in the survey, at least one county – and generally several more – eliminated positions and/or left positions vacant between 2004-05 and 2007-08. At the same time, counties reported that human services programs lack sufficient staff to meet workload demands. On average, counties reported they would need to increase the number of staff in the Child Welfare Services Program by 43.6 percent to meet workload demands. Inadequate staffing levels also are prevalent in the Adoptions, Adult Protective Services, Food Stamp, and Foster Care programs.

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# The Funding Squeeze Has Undermined Programs for Vulnerable Children, Families, and Seniors

Counties have tightened their belts to mitigate the impact of state funding cuts on vulnerable children, families, and seniors. Despite these efforts, county-operated programs have been compromised due to the state’s failure to provide adequate funding, according to surveyed counties. State funding cuts have not – by and large – resulted in the complete elimination of services that counties provide to children, families, and seniors. However, by failing to fully fund the cost of these programs, state policymakers have undercut counties’ ability to deliver high-quality services and have effectively compelled counties to reduce the scope and breadth of the services provided. The surveys revealed that:

- **Counties’ ability to effectively provide services has diminished.** The funding squeeze has diminished counties’ ability to effectively provide services and, in many cases, has resulted in service reductions. For example, San Bernardino County reported that it has inadequate staff to conduct outreach and follow-up with families who will adopt hard-to-place children, such as sibling groups and children of color. In addition, Santa Clara County indicated that participants in the California Work Opportunity and Responsibility to Kids (CalWORKs) Program have fewer choices for vocational training and are receiving fewer counseling, mentoring, and other services.
- **Counties are missing opportunities for prevention and case management.** The funding squeeze has left many counties unable to provide adequate preventive services and case management, such as investigating reports of abuse or neglect of children, seniors, and dependent adults. For example, Riverside County reported that, “The undersized workforce [in the Child Welfare Services Program] is unable to progress beyond crisis management, instead moving from one emergency to another.” Fresno County stated that Adult Protective Services staff “has had to determine within minutes . . . how to handle a case. Increased staffing levels would . . . allow for more detailed investigations and referrals.”
- **Counties have difficulty meeting state and federal program requirements.** Many counties reported difficulties meeting state and federal program requirements – an unintended consequence associated with inadequate funding and staffing. One county, for example, reported that services provided through the Adult Protective Services Program “are being rationed” due to an inadequate number of staff relative to demand, leaving the program “clearly out of compliance” with state regulations. Four counties reported that inadequate funding has led to increased error rates in the Food Stamp Program.
- **Counties are unable to maintain adequate community outreach and education efforts.** Counties reported that community outreach and education are inadequate or lacking altogether in several programs, ultimately reducing access to services for eligible individuals and families. For example, nearly 2 million eligible Californians do not receive food stamp benefits. However, Los Angeles County reported that, “We have not been able to do the level of [outreach] needed given the size of the eligible population not currently enrolled” in the Food Stamp Program. In addition, Sacramento County indicated that numerous food stamp outreach activities have been postponed due to budgetary constraints.

*Counties reported that community outreach and education are inadequate or lacking altogether in several programs.*

- **Counties commonly experience adverse impacts on other programs and services.** The funding squeeze has led to adverse impacts on other programs and services as costs have been shifted. For example, Tehama County noted that because social workers in the Adult Protective Services Program “do not have time to do preventative services and ‘check up’ on at-risk individuals, they are not able to assist these individuals before their situation becomes critical.” Consequently, “local law enforcement, fire departments, and first responders ... are responding to more 911 calls from clients in crisis.”

## Conclusion

California’s budget crisis presents policymakers with a difficult dilemma: how to balance the budget, while at the same time protecting vital services. *Stretched Thin 2008* has examined the consequences of resolving that dilemma by continuing to ask public programs to do even more with less. State funding cuts have not – by and large – resulted in the complete elimination of services that counties provide to children, families, and seniors. However, by failing to fully fund the cost of these programs, state policymakers have undercut counties’ ability to deliver high-quality services and have effectively compelled counties to reduce the scope and breadth of services provided. The dilemma is not confined to the programs discussed in this report. Across the board – and year after year – state policymakers are asking service providers to tighten their belts. In the short run, this approach helps to close the state’s chronic budget gaps. However, *Stretched Thin 2008* demonstrates that this approach has long-term consequences for the quality and quantity of the services provided.

# INTRODUCTION

In response to California's chronic budget deficits, the state's policymakers have reduced funding for public services and are considering additional cuts in 2008-09 to help close the state's estimated \$15.2 billion budget gap. A number of funding cuts have targeted county-operated health and human services programs, which provide critical services to California's vulnerable children, families, and seniors.

Policymakers have not – by and large – eliminated services or tightened eligibility requirements in these programs.<sup>1</sup> Instead, the state has left counties in a bind, in essence asking them to do more with less. The state's failure to provide funding for increases in counties' basic operating costs – such as gasoline, rent, and employees' health coverage – adds up to a funding shortfall that now exceeds \$1 billion per year when forgone federal funds are taken into account. Because the state's population and the cost of delivering services continue to rise, these reductions contribute to a funding squeeze on county-operated programs.

In some cases, counties have used local dollars to help make up for a portion of state funding reductions. Statewide, counties used \$595 million of their own funds to partially "backfill" state funding cuts to county-operated human services programs between 2001-02 and 2006-07.<sup>2</sup> However, counties' ability to maintain this funding is eroding as local revenues, particularly property tax and sales tax collections, stagnate due to the turmoil in the housing market and the economic downturn.

The consequences of the funding squeeze are largely hidden from view, particularly in the context of state budget debates. *Stretched Thin 2008* examines what this funding squeeze means for vulnerable children, families, and seniors based on a 13-county survey developed by the CBP and the County Welfare Directors Association of California (CWDA).

## The CBP/CWDA Survey

In 2004, three years into the state's current budget crisis, the CBP published *Stretched Thin*, which analyzed the impact of funding cuts on county-operated health and human services programs based on a CBP/CWDA survey of 11 counties.<sup>3</sup> *Stretched Thin 2008* picks up the story where the original *Stretched Thin* left off, analyzing the impact of additional funding cuts made between 2004-05 and 2007-08 – cuts that targeted all major county-operated programs except the Medi-Cal Program. *Stretched Thin 2008* is based on a CBP/CWDA survey of 13 counties – including the 11 counties surveyed in 2003-04 – conducted in late 2007 and early 2008. The survey examined eight health and human services programs that counties operate under state guidelines:

- the Adoptions Program;
- the Adult Protective Services Program;
- the California Work Opportunity and Responsibility to Kids (CalWORKs) Program;
- the Child Welfare Services Program;
- the Food Stamp Program;
- the Foster Care Program;
- the In-Home Supportive Services (IHSS) Program; and
- the Medi-Cal Program.

Counties' responsibility for these programs ranges from evaluating people's eligibility for food stamps and recruiting adoptive families to responding to allegations of child and elder abuse (Appendix A).

The survey included the 11 counties originally surveyed in 2003-04 – Alameda, Butte, Contra Costa, Los Angeles, Orange, Riverside, Sacramento, San Bernardino, Santa Cruz, Sonoma, and Tehama – along with two additional counties – Fresno and Santa Clara. These 13 counties represent a mix of urban, suburban, and rural settings and account for a combined two-thirds (66.9 percent) of the state's population and more than half of the caseload in each of the programs included in the analysis (Figure 1).<sup>4</sup> The extent to which caseloads have increased or declined varies across counties, sometimes substantially. For example, the number of seniors who receive services through the Adult Protective Services Program more than doubled in Contra Costa County between July 2004 and July 2007 (130.7 percent), but decreased by nearly half (45.3 percent) in Butte County during the same period (Table 1). Despite some significant variations, however, caseloads generally increased in the Adult Protective Services, Food Stamp, Foster Care, IHSS, and Medi-Cal programs, and generally decreased in the CalWORKs and Child Welfare Services programs.

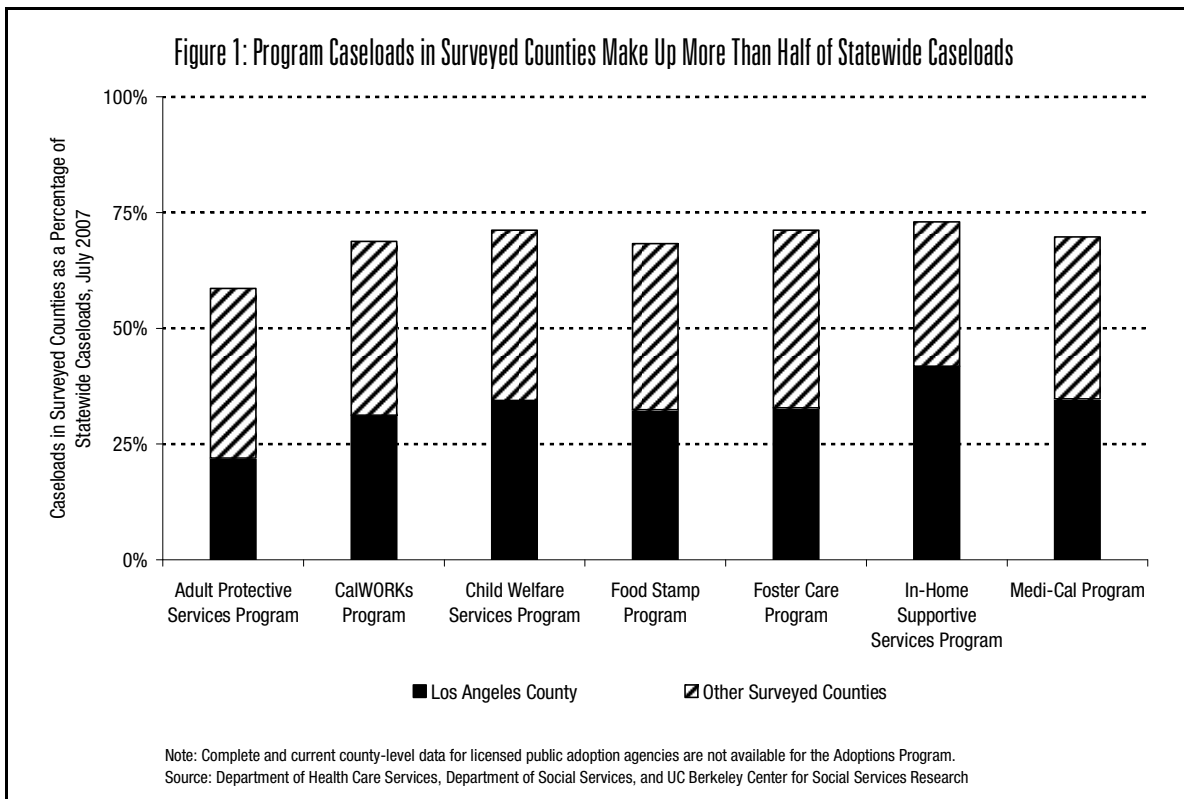


Table 1: Caseload Change Between July 2004 and July 2007 by County and Program

	Adult Protective Services Program	CalWORKs Program	Child Welfare Services Program	Food Stamp Program	Foster Care Program	In-Home Supportive Services Program	Medi-Cal Program
California	9.1%	-6.9%	-5.9%	9.6%	-4.3%	19.2%	0.8%
Alameda	49.7%	0.8%	-23.9%	25.5%	-22.2%	19.1%	1.3%
Butte	-45.3%	-12.0%	-3.7%	18.4%	16.9%	13.0%	-1.4%
Contra Costa	130.7%	5.5%	-15.5%	31.8%	-20.6%	12.3%	9.3%
Fresno	9.5%	12.5%	-17.4%	24.1%	-12.3%	4.7%	6.1%
Los Angeles	8.0%	-16.1%	-11.4%	-2.2%	-11.9%	16.3%	-4.3%
Orange	20.5%	-13.8%	5.6%	3.0%	6.8%	26.7%	-0.1%
Riverside	-7.8%	-1.0%	20.6%	19.9%	30.6%	42.5%	10.0%
Sacramento	-13.9%	0.0%	6.0%	21.1%	5.0%	28.2%	2.9%
San Bernardino	2.3%	-8.8%	-13.9%	5.9%	-6.6%	10.1%	2.1%
Santa Clara	8.6%	-3.1%	-4.6%	14.5%	0.3%	47.9%	1.7%
Santa Cruz	116.1%	9.6%	18.5%	36.8%	15.3%	20.0%	12.4%
Sonoma	31.3%	2.2%	12.4%	20.6%	10.2%	32.2%	7.5%
Tehama	3.8%	-3.9%	-2.9%	15.2%	48.4%	-1.2%	5.8%

Note: Complete and current county-level data for licensed public adoption agencies are not available for the Adoptions Program.

Source: Department of Health Care Services, Department of Social Services, and UC Berkeley Center for Social Services Research

## COUNTIES CONTINUE TO FACE A FUNDING SQUEEZE

The state's chronic budget gaps continue to take a toll on county-operated programs, particularly human services programs, which have been deeply affected by state funding cuts in recent years. The state has not provided funding to cover counties' rising operating costs for most programs since 2000-01. In addition, the state has directly cut funding for county-operated programs and could make additional reductions in 2008-09.

### The State Has Not Provided Funding To Cover Counties' Rising Operating Costs for Most Programs Since 2000-01

Inflation affects counties in the same way that it affects families – by eroding the purchasing power of their incomes. Prices that counties pay for fuel, utilities, employee health coverage, and other basic operating costs generally rise each year. Operating-cost increases reported by counties for health and human services programs included in the 2007-08 survey often were significant.<sup>5</sup> For example:

- In Butte County, worker's compensation costs increased by 21.1 percent and health insurance costs by 19.8 percent between 2004-05 and 2006-07.
- In Contra Costa County, retiree health insurance costs rose by 22.1 percent between 2003-04 and 2006-07.

*Inflation affects counties in the same way that it affects families – by eroding the purchasing power of their incomes.*

- In Los Angeles County, retiree health insurance costs rose by 52 percent over a three-year period.
- In Orange County, property and casualty insurance costs increased by 82.4 percent and utility costs by 65.3 percent between 2004-05 and 2007-08.
- In Tehama County, fuel costs jumped by 56.6 percent, health insurance costs by 32.8 percent, and workers compensation costs by 21.9 percent between 2004-05 and 2006-07.

Despite these escalating costs, the state has not provided counties with funding to cover actual operating costs for most human services programs since 2000-01.<sup>6</sup> In contrast, the state has provided funding for counties' operating-cost increases in the Medi-Cal Program each year since 2003-04. These adjustments – when provided – allow counties to pay for rising costs, while maintaining core services. While state funding for human services programs has been adjusted to reflect the number of Californians who receive services, these programs have lost ground to rising costs due to the state's failure to provide funding that reflects counties' actual cost of delivering services. In effect, the state has required counties to do more with less, which has undermined service delivery for children, families, and seniors.<sup>7</sup> In addition, this funding shortfall increases the likelihood that counties will fail to meet federal performance standards, putting the state and counties at risk of incurring substantial federal penalties.

Governor Schwarzenegger proposes to continue this policy by eliminating state funding for counties' operating-cost increases in human services programs in 2008-09. In addition, the Governor proposes to eliminate state funding for counties' operating-cost increases in the Medi-Cal Program for the first time since 2002-03. Under these proposals, counties would receive \$1.1 billion (\$681.5 million General Fund) *less* to operate these programs in 2008-09 than if state funding increases had been provided each year after 2000-01 (Table 2).

Table 2: Funding for County Operating-Cost Increases Proposed for Elimination in 2008-09 (Dollars in Millions)		
Program	State Funds	Total State and Federal Funds
Adoptions	\$16.8	\$22.1
Adult Protective Services	\$16.5	\$20.9
CalWORKs	\$250.6	\$250.6
Child Welfare Services	\$290.6	\$616.0
Food Stamp	\$33.9	\$83.9
Foster Care	\$8.2	\$12.5
In-Home Supportive Services	\$32.6	\$78.2
Medi-Cal	\$32.3	\$64.6
<b>Total</b>	<b>\$681.5</b>	<b>\$1,148.7</b>

Source: County Welfare Directors Association of California, Department of Health Care Services, and Department of Social Services

## The State Has Directly Cut Funding for County-Operated Programs and Could Make Additional Cuts in 2008-09

In addition to generally failing to provide counties with funding for increased operating costs, the state has made a number of direct cuts to funding for county-operated human services programs in recent years. These cuts have hindered counties' ability to maintain adequate staffing levels and to effectively deliver services to eligible Californians. By 2007-08, the annual impact of program cuts made since 2000-01 totaled:

- \$18.0 million (\$10.4 million General Fund) in the Adoptions Program;<sup>8</sup>
- \$16.7 million (\$8.9 million General Fund) in the Adult Protective Services Program;
- \$109.5 million for county operation of the CalWORKs Program;<sup>9</sup> and
- \$65.6 million (\$27.5 million General Fund) for county operation of the Food Stamp Program.<sup>10</sup>

The Governor has proposed additional funding cuts for a number of human services programs as well as the Medi-Cal Program in 2008-09.<sup>11</sup> For example, the Governor proposes to reduce funding by:

- \$11.4 million (\$6.1 million General Fund) in the Adult Protective Services Program, which translates into a loss of 75 social workers statewide;
- \$129.6 million (\$83.7 million General Fund) in the Child Welfare Services Program, which would cut approximately 1,000 social workers statewide;
- \$34.9 million (\$14.4 million General Fund) for county operation of the Food Stamp Program, which is equivalent to approximately 250 eligibility workers statewide;
- \$15.4 million (\$7.7 million General Fund) for county operation of the IHSS Program, which translates into a loss of 91 social workers statewide; and
- \$87.9 million (\$43.9 million General Fund) for county operation of the Medi-Cal Program, which would cut more than 650 eligibility workers statewide.

## COUNTIES HAVE TIGHTENED THEIR BELTS IN RESPONSE TO STATE FUNDING CUTS

Rising costs, combined with reductions in state funding, have put mounting pressure on county budgets. In response, counties have tightened their belts by reducing spending on basic operating costs and contracts with community-based organizations. Moreover, staff positions have been eliminated and left vacant, even as programs remain understaffed.

## Counties Have Reduced Spending on Basic Operating Costs

Counties have reduced spending on basic operating costs, including overtime, staff training, and information technology support.<sup>12</sup> Surveyed counties reported that they reduced spending on basic operating costs by a total of more than \$100 million between 2004-05 and 2007-08.<sup>13</sup> For example:

- In Alameda County, overtime costs were reduced by 50 percent and retirement costs by 11 percent in 2006-07.
- In Butte County, funding for staff training was “nearly eliminated” with a 99.2 percent cut in 2004-05.
- In Los Angeles County, computer supply purchases were reduced by 29 percent and information technology support was cut by 35 percent in 2005-06.
- In Orange County, funding for equipment maintenance was cut by 72.1 percent and overtime costs were reduced by 28.6 percent in 2006-07.
- In Riverside County, funding for travel was cut by 14.1 percent and telephone service costs were reduced by 10.0 percent in 2005-06.

## Counties Have Reduced Spending on Contracts With Community-Based Organizations

Many counties depend on community partners to provide services that address clients’ multiple needs and extend the reach of state programs that assist vulnerable children, families, and adults. Due to state funding cuts, counties have reduced spending on contracts with community-based organizations, including those that provide services to families in the Child Welfare Services system.<sup>14</sup> Surveyed counties reported that they reduced spending on contracts with community partners by a total of more than \$37 million between 2004-05 and 2007-08. For example:

- Butte County reduced or eliminated a number of services provided through the Child Welfare Services Program, including parenting classes and counseling, domestic violence, substance abuse, and psychological evaluation services.
- Los Angeles County eliminated an after-school program and a youth jobs program for children of CalWORKs participants.
- San Bernardino County reduced substance abuse treatment services provided through the Child Welfare Services Program.
- Santa Clara County reduced or eliminated several CalWORKs-related services, including domestic violence counseling, after-school services, rental assistance, and a matching program to encourage CalWORKs families to save. The county noted that, “Many partners have to do more with less.”
- Sonoma County reduced or eliminated a number of CalWORKs-related services, including a program to help CalWORKs participants maintain employment and move up the career ladder.

- Tehama County cut funding for substance abuse treatment for high-risk youth as well as for preventive services designed to reduce the number of families who enter the child welfare system.

## Staff Positions Have Been Eliminated and Left Vacant, Even as Programs Remain Understaffed

In each of the seven human services programs included in the survey, at least one county – and generally several more – eliminated positions and/or left positions vacant between 2004-05 and 2007-08.<sup>15</sup> During 2006-07, for example, Los Angeles County left 40 positions vacant in the IHSS Program and Orange County left 48 positions vacant in the Child Welfare Services Program.<sup>16</sup>

At the same time, counties reported that human services programs lack sufficient staff to meet workload demands. On average, counties reported they would need to increase the number of staff in the Child Welfare Services Program by 43.6 percent to meet workload demands (Table 3).<sup>17</sup> Inadequate staffing levels also are prevalent in the Adoptions, Adult Protective Services, Food Stamp, and Foster Care programs. Fresno County, for example, indicated that its Food Stamp Program has experienced “stagnant staffing levels” even as the number of food stamp recipients has increased. “Staff may not have been reduced, but workload increases have not been addressed” due to the state’s failure to provide counties with adequate funding. Workload increases, in turn, have “a direct impact on [the] county’s ability to maintain error rates below federal standards and provide adequate services to clients. . . .” Furthermore, San Bernardino County noted that when positions are left vacant in its Child Welfare Services Program, “the caseload still exists and must be spread to other social workers, exacerbating the difficulty” of providing services to children at risk of abuse or neglect. “This has produced a pattern of hiring, overloading, burnout, and staff leaving the department.”

Table 3: Counties Lack Sufficient Staff To Meet Workload Demands in Human Services Programs		
Program	Average Percentage Increase in Staff Needed To Meet Workload Demands in 2007-08*	Number of Counties Reporting
Adoptions**	54.9%	6
Adult Protective Services	34.7%	11
CalWORKs	12.9%	10
Child Welfare Services	43.6%	9
Food Stamp	24.2%	10
Foster Care	35.4%	9
In-Home Supportive Services	13.9%	11

\* Reflects weighted average of counties that responded for each program.

\*\* Ten of the 13 surveyed counties operate the Adoptions Program.

## Has Increased State Funding for CalWORKs and Medi-Cal Allowed Counties To Increase Program Staffing Levels?

In recent years, the state has increased funding that supports the CalWORKs and Medi-Cal programs. Counties received an additional \$90 million in 2006-07 and the same amount again in 2007-08 to reflect increased workload and requirements associated with federal reauthorization of the Temporary Assistance for Needy Families (TANF) block grant in 2006. This funding was intended to help counties implement strategies to increase the number of CalWORKs participants meeting federal work participation requirements. In addition, the state provided counties with funding for operating-cost increases in the Medi-Cal Program between 2003-04 and 2007-08. What impact did these funding increases have on counties' ability to adequately staff the CalWORKs and Medi-Cal programs?

### Additional State CalWORKs Funding: Mixed Results

The survey asked counties whether the additional state funding for the CalWORKs Program affected staffing levels.<sup>18</sup> Five counties – Butte, Orange, Riverside, Sacramento, and Santa Cruz – reported that they were not able to increase staffing despite the additional state funding.<sup>19</sup> Three of these counties identified the cost of supporting current staff as an obstacle to adding new staff.<sup>20</sup> For example:

- Butte County stated that staffing could not be increased due to the cost of retroactively increasing salaries as recommended by a compensation study.
- Santa Cruz County was unable to add any positions despite the additional state funding due to “increases in the cost of doing business.”

In contrast, six counties – Alameda, Contra Costa, Fresno, Los Angeles, San Bernardino, and Sonoma – *were* able to increase CalWORKs staffing. However, Fresno County called the increased state funding “minimal” due to “overall cost increases” and the fact that the new funding was effectively offset by prior state funding cuts in the CalWORKs Program. In addition, Sonoma County expressed doubts whether the new CalWORKs funding would be available from one year to the next, stating that it “must be considered one-time-only funding because there is no commitment to continue the funding in future years. If this funding ends and no cost-of-doing-business increases are received there is the likelihood that these additional positions (and others) might be cut.” In summary, these results suggest that the additional CalWORKs funding could not be used to its fullest potential, as counties continued to struggle to meet their basic operating costs following years of inadequate state funding.

### State Funding To Cover Operating Expenses in the Medi-Cal Program: Positive Results

The survey asked counties whether receiving annual state funding for increased Medi-Cal operating costs since 2003-04 had affected their ability to meet performance standards and other program goals.<sup>21</sup> Counties generally reported positive results. For example:

- Butte County reported that annual funding increases in the Medi-Cal Program have allowed the county to maintain “consistent staffing levels,” which have allowed the county to “minimally meet” state-mandated performance standards. However, no additional “enhancements, innovation or outreach efforts are possible to further improve program goals or outcomes” given funding limitations.
- Los Angeles County stated that, “funding increases have assisted us in meeting our performance standards,” although “we have been unable to initiate any outreach and retention activities.”
- Riverside County noted that increased state funding has “allowed us to hire additional casework staff, enabling us to move closer to our target staffing level (though still short of our needed goals).”
- San Bernardino County reported that state funding increases have allowed the county to hire additional staff to review Medi-Cal cases “to ensure correct eligibility determinations/benefits” as well as the timely processing of renewals.

These responses suggest that annual state funding increases for counties' operating costs are critical to counties' ability to deliver services effectively and meet program performance goals.

# THE FUNDING SQUEEZE HAS UNDERMINED PROGRAMS FOR VULNERABLE CHILDREN, FAMILIES, AND SENIORS

Counties have tightened their belts to mitigate the impact of state funding cuts on vulnerable children, families, and seniors. Despite these efforts, county-operated programs have been compromised due to the state's failure to provide adequate funding, according to surveyed counties.<sup>22</sup> State funding cuts have not – by and large – resulted in the complete elimination of services that counties provide to children, families, and seniors. However, by failing to fully fund the cost of these programs, state policymakers have reduced counties' ability to deliver high-quality services and have effectively compelled counties to reduce the scope and breadth of services provided. The surveys revealed that:

- **Counties' ability to provide effective services has diminished.** The funding squeeze has diminished counties' ability to provide services effectively and, in many cases, has resulted in service reductions.
- **Counties are missing opportunities for prevention and case management.** The funding squeeze has left many counties unable to provide adequate preventive services and case management, such as investigating reports of abuse or neglect of children, seniors, and dependent adults. Consequently, vulnerable children and adults are more likely to cycle repeatedly through the Adult Protective Services and Child Welfare Services programs.
- **Counties have difficulty meeting state and federal program requirements.** Many counties reported difficulties meeting state and federal program requirements – an unintended consequence associated with inadequate funding and staffing.
- **Counties are unable to maintain adequate community outreach and education efforts.** Counties reported that community outreach and education are inadequate or lacking altogether in several programs, ultimately reducing access to services for eligible individuals and families.
- **Counties commonly experience adverse impacts on other programs and services.** The funding squeeze has led to adverse impacts on other programs and services as costs have been shifted.

## Counties' Ability to Provide Effective Services Has Diminished

The funding squeeze has diminished counties' ability to provide services effectively and, in many cases, has resulted in service reductions.

### Adoptions Program

The Adoptions Program provides adoption placement services to children who would otherwise remain in long-term foster care. Counties report that their ability to process adoptions promptly and to recruit families for hard-to-place children has been weakened in recent years due to the funding squeeze. For example:

- Orange County stated that inadequate funding has affected “the ability of the program to recruit and prepare families for adoption of hard-to-place children. Older children and children with complex needs are most affected and must wait longer” for permanent homes.
- San Bernardino County reported that it has “inadequate staff to conduct outreach and follow-up with families who will adopt sibling groups and children of color...” In addition, the county is “no longer able” to fund efforts to focus on adoptions in cases where guardianship, typically with a relative, has already been established.
- Santa Cruz County identified the need to improve recruitment activities to secure placements for “older youth, siblings, [and] children with special needs.”

## **CalWORKs Program**

The CalWORKs Program was implemented starting in 1998, as California’s response to federal welfare reform. CalWORKs established a 60-month time limit on the receipt of cash assistance by adults, although not children, and devolved much of the responsibility for program design and implementation to California’s 58 counties. The CalWORKs Program shifted the state’s focus from income support to moving individuals into the workforce. However, inadequate state funding has resulted in increased wait times for families seeking cash assistance and fewer welfare-to-work services. For example:

- Alameda County noted that, “More often than not, clients’ benefits are delayed due to [county] workers’ competing priorities.” In addition, inadequate staffing levels have had the “net effect of removing the human interface that is vital in creating opportunities for engagement in welfare-to-work activities that may ultimately lead to employment.”
- Sacramento County stated that the “Wheels to Work” program, which provides cars to help CalWORKs participants maintain employment, has adequate funding for just 12 vehicles, compared to 30 vehicles when the program started.
- San Bernardino County reported that families are waiting longer to find out whether they are eligible for CalWORKs and that vocational training placements have been reduced.
- Santa Clara County stated that CalWORKs participants have fewer vocational training choices and are receiving fewer counseling, mentoring, and other services that are not linked to core welfare-to-work activities.
- Sonoma County indicated that: “Applicants and participants sometimes have gaps in their work activities because we do not have adequate staff and/or tools to identify them or respond to their immediate needs. Waiting times for supportive services are also impacted by this problem.”

## **Food Stamp Program**

The Food Stamp Program provides monthly benefits that help low-income households purchase the food they need to maintain adequate nutritional levels. The federal government pays the full cost of food stamp benefits for all eligible households, and the federal, state, and county governments share the cost of

operating the Food Stamp Program. Counties reported that the funding squeeze has contributed to delays in processing food stamp applications. For example:

- Contra Costa County reported delays in processing food stamp paperwork – which in turn delays families’ receipt of benefits – “due to the extra volume associated with fewer workers.”
- Fresno County reported that families have been affected “by longer wait times and full lobbies [and] difficulties in reaching their case workers to ask questions...”
- San Bernardino County indicated that families are waiting longer to find out whether they are eligible for food stamps.

### **Foster Care Program**

The Foster Care Program provides grants for the more than 80,000 California children who live with a foster care provider. Counties reported that recruitment and retention of foster parents has been impeded in recent years, as have timely and accurate payments to providers. For example:

- Fresno and San Bernardino counties reported an increased likelihood of issuing incorrect foster care payments.
- Orange County stated that it “continues to struggle with having the necessary funding needed in order to recruit and retain foster parents.”
- Riverside County indicated that payment delays are common due to “low staffing levels and high caseloads” and that such delays “can impact the quality of life of a foster child.”
- San Bernardino County reported that, “staff have less time to support foster parents and families on their caseload,” and that the number of children placed with relatives has declined due to inadequate staffing.
- Sonoma County indicated that payments to foster care providers can be delayed up to 60 days due to increased workloads.

*San Bernardino County reported that, “staff have less time to support foster parents and families on their caseload,” and that the number of children placed with relatives has declined due to inadequate staffing.*

### **IHSS Program**

The IHSS Program provides services that enable low-income blind, disabled, or elderly individuals to remain safely in their own homes as an alternative to out-of-home care. Services provided include assistance with meal preparation, laundry, shopping, bathing, and transportation to medical appointments. Services are provided by workers hired directly by the client in nearly all cases.<sup>23</sup> The IHSS Program has experienced rapidly rising caseloads – increasing by 19.2 percent between July 2004 and July 2007 – due to an aging population and in increase in the number of individuals with severe disabilities who are able to remain in their homes with assistance. Counties reported that the funding squeeze has translated into longer waiting

periods for enrollment in the program, delays in initiating IHSS services, and limited contact between county social workers and IHSS clients – all of which can lead to individuals being placed in more expensive care settings. For example:

- Fresno County reported that, “Due to staffing shortages and additional program requirements, the time needed to process an application has increased, causing delays in services to clients and a reduction in the number of hours spent in the field to properly assess” clients’ needs. Service delays “can result in the loss of the [IHSS] provider or the need for clients to be placed in nursing homes until services can be obtained.”
- Los Angeles County stated that IHSS workers “are unable to perform the ‘social work’ aspect” of their jobs because the focus “is on processing the cases.”
- Orange County noted that delays in processing provider changes and payments can lead to a client “losing a potential provider. Without consistent caregivers, some clients are at risk for acute episodes requiring hospitalization or long-term placement.”
- San Bernardino County reported “limited contact” between social workers and IHSS clients – in most cases just once per year – because the number of social workers has not kept up with the rising IHSS caseload.
- Santa Clara County reported that IHSS clients sometimes are placed on “waiting lists for services to which they are legally entitled.”

## Counties Are Missing Opportunities for Prevention and Case Management

The funding squeeze has left several counties unable to provide adequate preventive services and case management, such as investigating reports of abuse or neglect of children, seniors, and dependent adults. Consequently, vulnerable children and adults are more likely to cycle repeatedly through the Adult Protective Services and Child Welfare Services programs.

### Adult Protective Services Program

The Adult Protective Services Program assists elderly and dependent adults who are functionally impaired, unable to meet their own needs, or who are victims of abuse, neglect, or exploitation.<sup>24</sup> Counties reported they are missing opportunities for prevention and case management due to the funding squeeze, increasing the likelihood that vulnerable seniors and dependent adults will cycle repeatedly through the program.<sup>25</sup> For example:

- Butte County indicated that staff shortages may result in cases being closed sooner than is optimal, and that this circumstance often results in repeat referrals of seniors who are at risk of abuse or neglect.
- Fresno County stated that due to inadequate state funding: “[The] total amount of time spent with a client has decreased. Staff has had to determine within minutes . . . how to handle a case. Increased staffing levels would . . . allow for more detailed investigations and referrals.”

*Butte County indicated that staff shortages may result in cases being closed sooner than is optimal.*

## How Have Ongoing State Funding Cuts Affected Service Delivery in the 11 Counties That Participated in the 2003-04 Survey?

The 11 counties that participated in the 2003-04 survey were asked whether their ability to provide health and human services in subsequent years had increased, decreased, or stayed the same by 2007-08.<sup>26</sup> Counties reported that their ability to provide services generally decreased or stayed the same. For example:

- In two programs – CalWORKs and IHSS – the majority of counties reported a *decreased* ability to provide services since 2003-04. In addition, one-half of counties reported a decreased ability to provide services in the Adult Protective Services and Foster Care programs.
- A majority of counties reported that their ability to provide services had *stayed the same* since 2003-04 in the Adoptions and Medi-Cal programs, the latter of which received state funding for increased county operating costs between 2003-04 and 2007-08.

Counties' Ability To Provide Services Generally Has Decreased or Stayed the Same Since 2003-04			
Program	Ability to Provide Services Since 2003-04:		
	Decreased	Stayed the Same	Increased
Adoptions	0	5	2
Adult Protective Services	5	4	1
CalWORKs	8	1	2
Child Welfare Services	4	2	4
Food Stamp	5	5	1
Foster Care	5	2	3
In-Home Supportive Services	8	1	1
Medi-Cal	2	7	1

Note: The 11 counties that participated in both the 2003-04 and 2007-08 CBP/CWDA surveys were asked how their ability to provide services had changed for each program; however, not every county responded completely. Eight of the 11 counties operate the Adoptions Program.

- For each program, a minority of counties reported an *increased* ability to provide services since 2003-04. However, several of these counties noted that they continue to face difficulties in delivering services despite recent improvements, or that their recent gains are attributable to an infusion of local funds. For example:
  - Alameda County stated that funding for CalWORKs “is still far from that needed to bring caseloads down to manageable levels and to successfully engage and assist clients in becoming self-sufficient.”
  - Alameda County also reported that, “Staffing and resource increases [in the Child Welfare Services Program] are primarily due to increased county contribution[s] and external foundation grant funds. ... These small increases do not compensate for the state’s failure to meet its basic funding obligations.”
  - Santa Cruz County noted that its increased capacity to deliver services in the IHSS Program occurred due to “committing local funds,” including using county funds to overmatch funding provided by the state. Despite the increase in the county’s ability to provide services, “Caseworker morale has dipped ... due to the need to focus so closely on processing [paperwork] at the expense of other social work services.”
  - Sonoma County indicated that, “Even though our ability to provide [CalWORKs] services has increased ... we are still not able to meet the client needs, and the increased services and data workload requirements, especially with no cost-of-doing-business increases.”

- Los Angeles County reported diminished “ability to provide case management for high-risk cases,” as well as less time to focus on prevention.
- Riverside County noted that recidivism increases when services focus only on short-term crisis intervention: “Since we’re unable to do long-term case management, the immediate problem may be solved, but longer-term risk issues can’t be dealt with.”
- San Bernardino County stated that the number of Adult Protective Services referrals has “increased disproportionately” to the number of social workers: “As a result, APS workers cannot spend as much time with each client as in the past.”
- Santa Cruz County noted that inadequate staffing reduces the amount of case management provided, which likely “has an impact on the recidivism rate.”
- Sonoma County reported that, “Continued financial constraints mean that APS is able to provide only the essential protections to clients and not able to provide the level of follow-up and case management services that often ensure the client’s protection.”

### Child Welfare Services Program

The Child Welfare Services Program provides services to abused and neglected children, children in foster care, and their families. Social workers assess families’ capacity to care for their own children, help reunite children with their families when it is safe and in the child’s best interest to do so, and – when it is not safe – works to find stable families to care for children. However, counties reported that opportunities for prevention and case management are being missed in the Child Welfare Services Program, which increases the risk to vulnerable children.<sup>27</sup> For example:

- Riverside County reported that, “The undersized workforce is unable to progress beyond crisis management, instead moving from one emergency to another” as other critical services are “shunted to second priority due to crushing workloads and the need to provide safety first.” The “hidden cost” of this disproportionate focus on crisis management includes “underperforming reunification rates, high re-entry rates, increased time to adoption, [and] poor performance upon emancipation” from the child welfare system.
- Santa Cruz County stated that, “Because staffing is below the optimal level needed, we are unable to implement best practice service enhancements, and we cannot provide the intensive level of service that CWS families need in order to fully resolve their issues and avoid recidivism in the CWS system.”
- Sonoma County noted that, “By providing less outreach and community education, child protective services becomes a last resort, instead of an early resource that contributes to the prevention of removing children from their families.” This county added that, “Large caseloads and unfunded

*Sonoma County noted that, “By providing less outreach and community education, child protective services becomes a last resort, instead of an early resource that contributes to the prevention of removing children from their families.”*

mandates continue to overload social workers and thereby limit their time spent doing social work to reunify families and find ... solutions for youth who cannot be unified.”

- Tehama County reported that, “After providing basic services and [paying] administrative costs, there [are] no other funds to implement programs that will help us to better meet the performance outcomes” for Child Welfare Services.

## Counties Have Difficulty Meeting State and Federal Program Requirements

Many counties reported difficulties meeting state and federal program requirements – an unintended consequence associated with inadequate funding and staffing. One county, for example, reported that services provided through the Adult Protective Services Program “are being rationed” due to an inadequate number of staff relative to demand. On average, according to this county, “we open only about [one-third] of monthly reports that have been determined to be within APS jurisdiction, which is clearly out of compliance with state regulations.” In addition:

- Four counties reported that inadequate funding and staffing levels have led to increased errors in the Food Stamp Program.
  - One county, for example, reported that some households have been denied food stamps erroneously due to “increased caseload sizes” and the use of less experienced eligibility staff due to the program’s high staff turnover.
  - Another county stated that, “quantity is overshadowing quality” as food stamp applications increase. Inadequate staffing levels mean that applications are processed “beyond the required time period with delayed or incorrect eligibility determinations.”
- One county noted that annual renewal visits in the IHSS Program are “not being completed in a timely manner” for more than one-fifth of IHSS clients. “Clients that are not seen annually run the risk of not having an adequate amount of hours authorized and are at risk for out-of-home placement.”
- Santa Cruz County reported that, “given the financial constraints, it is extremely challenging to effectively comply with all [IHSS] time frames, satisfy quality assurance expectations, and serve clients effectively and efficiently.”
- Tehama County stated that social workers in the Adult Protective Services Program “may not be able to meet mandated response times ... but are only able to provide triage services or complete the initial investigation. Other follow-up and case management services must be squeezed in as time allows and may not be as timely or thorough as needed.”

## Counties Are Unable To Maintain Adequate Community Outreach and Education Efforts

Counties reported that community outreach and education are inadequate or lacking altogether in several programs, ultimately reducing access to services for eligible individuals and families.

## **Adult Protective Services Program**

Counties lack sufficient staff in the Adult Protective Services Program to undertake outreach and education that could help to identify more quickly seniors who are at risk of abuse or neglect. For example:

- Alameda County stated that Adult Protective Services “has no assigned professional support staff to design, plan, and provide community education.”
- Los Angeles County reported that, “Outreach and educational efforts are compromised; therefore, abused elders and dependent adults and the general public may not be educated [about] the problem,” which reduces the number of individuals who receive protection.
- Orange County indicated that, “APS staff are not available to other community programs to consult and provide their expertise” on dealing with seniors and dependent adults who are risk of abuse.
- Sonoma County noted that it has curtailed community outreach campaigns, including one focused on financial abuse of elders, “due to limited staff time.”
- Tehama County reported that Adult Protective Services staff “do not have time to provide much-needed education and awareness presentations on elder abuse to the community.”

## **Food Stamp Program**

Outreach activities could help to enroll many of the nearly 2 million eligible Californians who do not receive food stamps, which are funded entirely by the federal government.<sup>28</sup> However, counties lack sufficient funding to do extensive outreach. In some cases, food banks and other nonprofit organizations attempt to fill in the gap with their own outreach efforts, but these groups also face significant funding limitations.<sup>29</sup> For example:

- Butte County stated that outreach is limited to public service announcements on television “provided at no cost through the local college.”
- Los Angeles County indicated that: “We have not been able to do the level of [outreach] needed given the size of the eligible population not currently enrolled in Food Stamps. The lack of cost-of-doing-business [increases] in Food Stamps administration over the last several years has meant that even our current level of outreach may not be sustainable in the future.”
- Sacramento County reported that numerous food stamp outreach activities have been postponed due to budgetary constraints.
- Santa Cruz County stated that, “Because of lack of [Food Stamp Program] outreach, the Second Harvest Food Bank has seen an increase in the number of clients that they serve.”
- Sonoma County eliminated its “systematic outreach program” in order to “focus on program integrity.”

## Medi-Cal Program

Medi-Cal is California’s Medicaid Program. This federal-state program provides health coverage for 6.6 million low-income individuals – including children, parents, seniors, and persons with disabilities – who receive public assistance or meet income and other eligibility criteria. A 2005 statewide survey found that 436,000 Californians under age 65 were eligible for Medi-Cal, but not enrolled.<sup>30</sup> Despite receiving state funding for Medi-Cal operating-cost increases since 2003-04, many counties lack sufficient staff to undertake outreach activities that could help to enroll uninsured Californians who are eligible for Medi-Cal coverage. For example:

- Alameda County reported that, “Without additional staff, we are not able to develop additional outreach sites in the community.”
- Los Angeles County reported that, “We have received numerous requests to place staff in additional sites, but are unable to do so due to lack of staffing. . . . The reduced availability of out-stationed staff at unconventional sites, such as churches and schools, reduces the opportunity to provide health care coverage to the uninsured.”
- Riverside County noted that, “Lack of adequate staff has caused us to limit outreach with hospitals, clinics,” and community-based organizations.
- Sonoma County reported that: “The loss of out-stationing [of county Medi-Cal staff] has reduced quality of service to clients in outlying areas of the county, especially minor consent applicants who are required by regulation to apply face-to-face. This difficulty of traveling to a central office can reduce access [for] this vulnerable population.”

## Counties Commonly Experience Adverse Impacts on Other Programs and Services

The funding squeeze has led to adverse impacts on other programs and services as costs have been shifted.

### Adult Protective Services Program

Inadequate funding for the Adult Protective Services Program has increased the burden on other agencies, including law enforcement and fire departments. For example:

- Alameda County reported that, “Unaddressed and unresolved protection issues can cause dependence on and overuse of emergency services such as 911 response and hospital emergency rooms, driving up police, fire, paramedic, and medical costs.”
- Orange County stated that, “When APS services are limited, the burden to intervene in dangerous situations falls on other agencies,” including law enforcement and mental health providers.

*Alameda County reported that, “Unaddressed and unresolved protection issues can cause dependence on and overuse of emergency services such as 911 response and hospital emergency rooms.”*

- San Bernardino County indicated that, “Cases are handed off to law enforcement earlier because APS workers do not have the time available to do ongoing investigations.”
- Tehama County noted that because social workers in the Adult Protective Services Program “do not have time to do preventative services and ‘check up’ on at-risk individuals, they are not able to assist these individuals before their situation becomes critical.” Consequently, “local law enforcement, fire departments, and first responders ... are responding to more 911 calls from clients in crisis.”

In addition, funding shortfalls in Adult Protective Services and IHSS have resulted in cost shifting between the two programs, which both serve the frail elderly and people with disabilities. For example:

- Riverside County reported that when IHSS services are not “quickly available and/or IHSS case management consists of a yearly visit,” many IHSS clients “worsen and can overburden” the Adult Protective Services Program.
- Santa Cruz County noted that, “There is increased expectation of APS to intervene with IHSS cases since IHSS caseworkers have less time to work with clients and families [in] problem situations or to conduct initial inquiries regarding reports of alleged neglect or abuse by IHSS care providers.”
- Sonoma County indicated that when the needs of IHSS clients are not met in a timely manner, those who are “at risk of neglect or abuse are often referred to Adult Protective Services in the interim.”

### **Child Welfare Services Program**

Funding shortfalls in the Child Welfare Services Program can inadvertently increase the costs of other agencies as well. For example:

- Riverside County reported that lack of adequate staffing makes it difficult to intervene early in many situations. “Consequently, problems are allowed to fester and magnify. This results in increased needs for mental health interventions, group home placements, individualized education plans, [and] psychiatric hospitalizations, [as well as] increased runaways, increased placement meetings, and increased law enforcement interventions. Thus, the mental health system, the education system, law enforcement, and [community-based organizations] are all impacted by the increased workload.” Moreover, because Child Welfare Services staff are “spread too thin,” local law enforcement agencies and emergency rooms “must tie up their resources waiting for [CWS] staff to become available to take custody of a child when necessary.”

*Riverside County reported that, “Problems are allowed to fester and magnify. This results in increased needs for mental health interventions, group home placements, individualized education plans, [and] psychiatric hospitalizations.”*

# CONCLUSION

California's budget crisis presents policymakers with a difficult dilemma: how to balance the budget, while at the same time protecting vital services. *Stretched Thin 2008* has examined the consequences of resolving that dilemma by continuing to ask public programs to do even more with less.

State funding cuts have not – by and large – resulted in the complete elimination of services that counties provide to children, families, and seniors. However, by failing to fully fund the cost of these programs, state policymakers have undercut counties' ability to deliver high-quality services and have effectively compelled counties to reduce scope and breadth of services provided. The 13 counties participating in the 2007-08 CBP/CWDA survey together represent more than half of the caseload in each of the eight programs examined. The survey results were remarkably similar across programs and counties, and suggest that policymakers cannot expect counties to continue to stretch dwindling resources indefinitely. Clearly, county-operated programs that serve hundreds of thousands of California's most vulnerable residents are being compromised by the funding squeeze.

The dilemma is not confined to the programs discussed in this report. Across the board – and year after year – state policymakers are asking service providers to tighten their belts. In the short run, this approach helps to close the state's chronic budget gaps. However, *Stretched Thin 2008* demonstrates that this approach has long-term consequences for the quality and quantity of the services provided.

**Appendix A: County-Operated Health and Human Services Programs Included in the CBP/CWDA Survey**

Program	Purpose	County Responsibility
Adoptions	Public adoption agencies provide placement services to children who would otherwise remain in long-term foster care. Twenty-eight California counties have licensed public adoption agencies, including 10 of the 13 counties surveyed for this report.	Counties with licensed public adoption agencies recruit and conduct evaluations of prospective adoptive families and make recommendations to the court regarding adoptive placements.
Adult Protective Services	Program assists elderly and dependent adults who are functionally impaired, unable to meet their own needs, or who are victims of abuse, neglect, or exploitation. The state implemented statewide standards for Adult Protective Services in 1999.	Counties are required to respond to and investigate reports of physical abuse, financial abuse, neglect, abandonment, isolation, and abduction of elderly and dependent adults who do not reside in a long-term care facility. Counties must operate a 24-hour emergency response system and provide case management services, such as investigation, monitoring, and linkage to community services. In addition, counties provide emergency shelter care, in-home protection services, clothing, transportation, and other services to abused or neglected elder and dependent adults.
CalWORKs	Program provides time-limited cash assistance for eligible low-income families, while helping adult recipients find and retain jobs, enhance their skills, and overcome barriers to employment. CalWORKs was implemented in 1998 in response to the 1996 federal welfare reform law, which created the Temporary Assistance for Needy Families (TANF) block grant to replace the Aid to Families with Dependent Children (AFDC) program.	Counties determine initial and ongoing eligibility, issue cash assistance payments, provide case management services, develop welfare-to-work plans, and provide or arrange for the delivery of employment and supportive services, including mental health and substance abuse treatment and domestic violence services.
Child Welfare Services	Program provides services to abused and neglected children, children in foster care, and their families.	Counties respond to reports of abuse, neglect, or exploitation, conduct investigations, conduct needs and risk assessments, arrange for provision of services, recruit and approve foster family homes and homes in which relatives are the caregivers, recommend and arrange placements for children, and work with the judicial system and related service systems to determine children's needs and services.
Food Stamp	Program provides monthly assistance that helps low-income households purchase the food they need to maintain adequate nutritional levels. The federal government pays the full cost of food stamp benefits for all eligible households; the federal, state, and county governments share the cost of administering the program.	Counties determine initial and ongoing eligibility and issue food stamps.
Foster Care	Program provides grants for children living with a foster care provider under a court order or a voluntary agreement between the child's parents and a county welfare department.	Counties determine initial and ongoing eligibility for federal funding, issue monthly payments, and make decisions regarding the health and safety of children in the foster care system.
In-Home Supportive Services	Program provides services that enable low-income blind, disabled, or elderly individuals to remain safely in their own homes as an alternative to out-of-home care. Available services include assistance with meal preparation, laundry, shopping, errands, bathing, transportation to medical and service appointments, and/or paramedical services.	Counties determine initial and ongoing eligibility, assess individuals' service needs, authorize hours of service, and process providers' time sheets. Direct services are provided by workers hired by the client in nearly all cases.
Medi-Cal	Program is California's version of Medicaid, a federal-state program providing health coverage to uninsured low-income individuals. Medi-Cal provides health care coverage to children, parents, elderly and blind persons, and persons with disabilities who receive public assistance or meet income and other eligibility criteria.	Counties determine initial and ongoing eligibility for Medi-Cal.

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## ENDNOTES

<sup>1</sup> However, Governor Schwarzenegger has proposed reducing or eliminating services in a number of programs in 2008-09. For example, the Governor proposes to increase eligibility requirements in the Medi-Cal Program and to raise family premiums in the Healthy Families Program, both of which would reduce the number of low-income Californians enrolled in these programs.

<sup>2</sup> California State Association of Counties, *Human Services Funding Deficit: Counties Must Act To Secure Administrative Costs* (May 2008).

<sup>3</sup> See California Budget Project, *Stretched Thin: State Budget Cuts Threaten California's Health and Human Services Programs* (May 2004).

<sup>4</sup> Complete and current county-level data for licensed public adoption agencies are not available for the Adoptions Program.

<sup>5</sup> The survey asked the following: "Please provide a few brief examples of 'non-controllable' overhead costs (e.g., workers compensation, benefits, utility costs, and other cost-of-doing business items) that have increased significantly since FY 2004-05."

<sup>6</sup> The Adoptions and Child Welfare Services programs received state funding to reflect counties' increased operating costs in 2001-02. Funding to reflect increases in counties' general operating costs is generally referred to as a "cost-of-doing-business" increase.

<sup>7</sup> Surveyed counties' assessment of the impact of inadequate state funding on county-run health and human services programs is discussed in a subsequent section.

<sup>8</sup> The data in this bullet and the following three bullets come from *Annual Impact of Cuts to County-Administered Health and Human Services Programs Sustained Since June 2001* (County Welfare Directors Association of California: No date).

<sup>9</sup> This figure reflects cuts in 2002-03 and 2004-05, partially offset by a funding augmentation in 2006-07. In addition, this figure reflects combined federal Temporary Assistance for Needy Families (TANF) block grant and state maintenance of effort funding.

<sup>10</sup> This figure reflects cuts in 2002-03 and 2004-05, partially offset by a funding augmentation in 2006-07.

<sup>11</sup> Although the Legislature has rejected most of the Governor's proposed cuts to health and human services programs, these proposals ultimately could be included in the final 2008-09 budget package.

<sup>12</sup> The survey asked the following: "Please provide for fiscal years 2004-05 through 2007-08 examples of cases in which your county has reduced spending on 'controllable' overhead items (e.g., changed support staffing patterns, renegotiated rental contracts, reduced or eliminated travel) in order to offset higher costs in 'non-controllable' overhead (e.g., workers compensation, benefits, utility costs, other cost-of-doing business items) and to maintain or minimize reductions in caseworker staffing levels in your human services programs."

<sup>13</sup> Nine counties reported examples of decreased spending.

<sup>14</sup> For all programs, the survey asked the following: "For fiscal years 2004-05, 2005-06, 2006-07, and 2007-08, please indicate contracted services that were reduced or eliminated and the dollar amount of each reduction or elimination. Please include *only* those services reduced or eliminated due to lost cost-of-doing-business increases or other state budget cuts." In some cases, counties indicated that contracted services in the CalWORKs Program were eliminated due to the depletion of unspent "performance incentive" funds. Counties received these funds for moving CalWORKs participants from cash assistance into the workforce. The state stopped funding performance incentives in 1999-00.

<sup>15</sup> For all programs, the survey asked the following: "For fiscal years 2004-05, 2005-06, 2006-07, and 2007-08, please indicate the number of approved caseworker FTEs that *have been eliminated* and the number of approved caseworker FTEs that *have not been filled* in your [program] *due to budget reductions and suspended cost-of-doing business increases.*"

<sup>16</sup> Counties rarely resorted to layoffs. However, Fresno and Santa Clara counties laid off 14 and four workers, respectively, in the CalWORKs Program in 2004-05.

<sup>17</sup> For all programs, the survey asked the following: "Whether your program has reduced, increased, or left positions vacant, please indicate the approximate number of *active [program] caseworker FTEs* that you think your department *should* have in order to meet current [program] workload demands." These responses were compared to 2007-08 staffing levels reported by each county to calculate the size of the "staffing gap" for each program in each county. County responses were then aggregated to determine the weighted-average staffing gap for each program. Medi-Cal is not included in this analysis because the state provided funding for counties' increased operating costs for this program between 2003-04 and 2007-08.

<sup>18</sup> The survey asked the following: "What is the actual and/or anticipated staffing impact of your county's allocation increase from the additional \$90 million provided in FY 2006-07 and continued into FY 2007-08?" Eleven counties responded to this question.

<sup>19</sup> Orange County reported that it was not able to add staff in 2006-07 and that, while additional staff were planned for 2007-08, "it is increasingly questionable whether funds will be available to meet this need."

<sup>20</sup> These counties are Butte, Riverside, and Santa Cruz.

<sup>21</sup> The survey asked the following: "Medi-Cal is the one program area that has received cost-of-doing-business increases over the survey time period. How has the receipt of annual funding increases impacted your county's ability to meet statutory Medi-Cal

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performance standards and other program goals?" Seven counties responded to the question.

<sup>22</sup> The survey asked the following: "To the extent that your program is experiencing inadequate staffing levels and/or has eliminated or reduced contracted or other services due to continued inadequate state funding between fiscal years 2004-05 and 2007-08: (a) Please briefly describe *how program participants are being affected*. (b) Please briefly describe *any other benefits of the program to the community that have been affected*. (c) Please briefly describe *how other programs might have been affected*. (For example, have reductions resulted in a negative impact upon the caseload of other county human services, public health or public safety programs?) Please be as specific as possible."

<sup>23</sup> Contracted service providers or county employees provide services in less than 5 percent of all IHSS cases.

<sup>24</sup> The state implemented statewide standards for the Adult Protective Services Program in 1999.

<sup>25</sup> In the Adult Protective Services Program, case management includes investigating reports of abuse or neglect, opening a case, and helping victims obtain services to help maintain health and safety, such as Medi-Cal health coverage.

<sup>26</sup> For each program, the survey asked the following: "Overall, since last completing this survey in 2004, has your agency's ability to fund and provide the full range of services to eligible persons and program participants: decreased, stayed the same, increased."

<sup>27</sup> In the Child Welfare Services Program, case management includes investigations of abuse or neglect, providing services to prevent children from being removed from the home, and placing a child in foster care.

<sup>28</sup> Half (50 percent) of eligible Californians participated in the Food Stamp Program in federal fiscal year 2005, the third-lowest rate among the 50 states and the District of Columbia. Karen E. Cunningham, Laura A. Castner, and Allen L. Schirm, *Reaching Those in Need: State Food Stamp Participation Rates in 2005* (Mathematica Policy Research, Inc. for the US Department of Agriculture, Food and Nutrition Service: October 2007), p. 6.

<sup>29</sup> Interview with Jessica Bartholow, director of programs, California Association of Food Banks (December 21, 2007).

<sup>30</sup> UCLA Center for Health Policy Research, *2005 California Health Interview Survey* (January 2007).