

DEFINING THE COUNTY ROLE IN SUPPORTING AND IMPACTING THE EFFICACY OF THE CALIFORNIA WELFARE DIRECTOR'S ASSOCIATION (CWDA)

Sandy Stier*

EXECUTIVE SUMMARY

BACKGROUND

Health and human service agencies face significant challenges in meeting an evolving series of program mandates in times of increasing economic uncertainty. The primary components of our challenge are the laws that guide our service delivery and the budget that funds those programs. Counties are often a critical source of feedback to the governing bodies that determine both program intricacies and funding mechanisms that support our work. It is with counties that some of the most discriminating information lives: client data, case worker perspectives, real-life scenarios, opportunities for blended services, and a pulse on the evolving community.

The California Welfare Director's Association (CWDA) is an advocacy organization that provides a unique and supportive forum for the exchange of ideas, problem solving and best practices between counties. CWDA holds monthly forums for a number of key program or operations groups, with representatives from each of California's 58 counties. Additionally, CWDA provides a valuable service to counties in delivering immediate and thorough feedback about the budget, whether it is a new proposed budget, a series of hearings, the Legislative Analyst's Office (LAO) response, or a mid-year adjustment. CWDA is able to provide quality feedback in part due to county contributions on key issues, such as program utilization, trend analysis, and revenue forecasting. CWDA relies upon the

rapid responses of counties to requests for assistance. Without county input, CWDA is impeded in its ability to put a face on the issues.

FINDINGS

Each year, the release of the Governor's budget begins a dynamic process, with an enormous impact on counties. Following the initial release, CWDA provides a summary of those budget items, which includes a health and human services impact for county human services directors. This begins the dialogue between counties and CWDA to refute or support various line items or policy shifts within the proposed budget. Shortly following, the Legislative Analyst's Office (LAO) releases their analysis on the budget, which includes their recommendations of program or policy shifts that the Governor may want to consider. CWDA again, provides feedback on LAO's analysis to counties, and works with counties to determine the most effective approach by which to support/not support the LAO's findings. The budget hearings are an opportunity to speak directly to various points within the Governor's budget or the LAO analysis. County staff is sometimes called upon to participate in the hearings, effectively putting a face on the issues that we support.

SUMMARY

CWDA provides a tremendous service of representation to counties. It is a service, however, that is

*Sandy Stier is the CalWIN Project Director for the Alameda County Social Services Agency.

dependent on county input and participation to effectively operate. CWDA advocates for us, protects our programs, defends our strategies and assists us in collaborating with our county peers. They provide a tremendous service in being a starting point for gathering data and best practices information. Their website alone has a number of relevant publications, along with a solid array of web links to quality companion websites. This is an important resource to human services staff, as we continue to work in an environment of “too much information.”

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INTRODUCTION

Today, in a society that has become increasingly diverse and complex, county social welfare departments strive to carry out their missions of providing aid, services and protection to needy children and adults. At the same time, counties strengthen and encourage individual responsibility and independence for families.

In recent years, there has been a growing trend to shift responsibility for the financing, administration and performance of welfare programs from the state to the county. Welfare reform measures, with the provision of block grants, were designed to give counties additional flexibility in program management and service delivery as well as greater responsibility for client outcomes. We continue to see movement in this trend with significant potential impacts on counties as funding declines and responsibility for delivery and client outcomes is shifted to counties in realignment efforts.

As a manager with Alameda County Social Services Agency, I am keenly aware of the vulnerability of our agency as the recipient of state fiscal and program policy decisions that determine funding levels, program requirements and performance outcomes. I have been intrigued by the process by which such decisions are born as well as the ability of a county to impact those policies. I looked to the California Welfare Director's Association (CWDA) as a starting point to assess the relative impact a single county can have on the dynamic processes of funding and policy making. In this case study, I explore the dynamics of the release of the

Governor's 2003-04 budget, key points to consider, the Legislative Analyst's Office review, and CWDA strategies to support or refute components of the budget.

BACKGROUND OF CWDA

The County Welfare Director's Association of California is a non-profit association representing the human service directors from each of California's 58 counties. Established in 1926, CWDA's mission is *"to promote a human services system that encourages self-sufficiency of families and communities, and protects vulnerable children and adults from abuse and neglect."*

To accomplish this mission, CWDA:

- Advocates for policies that will further the mission of the organization.
- Educates state and federal policy-makers and the public regarding the impact of human services policies on individuals, communities, and county social services operations.
- Collaborates with governmental and community-based organizations to ensure efficient and effective service delivery.
- Facilitates effective communication between and among county social service agencies, and state and federal administrative agencies, including the exchange of knowledge and best and promising practices.

CWDA has always worked closely with the California State Social Services Department, playing an active role in politics and decision-making at the local, state and federal levels. Various commit-

tees review and make recommendations on proposed policies and regulations. CWDA has also played a role in issues such as welfare reform by issuing position papers and policy recommendations. In 1984, CWDA hired the association's first Executive Director. Today, the association employs five full-time staff and contracts for federal representation with a Washington, DC-based legislative advocate.

The 13 members of CWDA's executive committee guide the association toward its mission, with oversight from the board of directors. The executive committee is composed of six annually elected officers, who serve along with two representatives from Los Angeles County, two representatives from California's 20 small counties, the chairs of the fiscal and legislative committees, and the immediate past president. The current CWDA president chairs the executive committee.

CWDA's policy committees identify and analyze issues, develop program and policy recommendations for consideration by the board of directors, and work with state agencies to develop and implement program services. CWDA policy committees and the board of directors meet throughout the year. Membership is established in the CWDA by-laws, which specify the county human services staff comprising each of the following committees:

- Adult Services
- Children's Services
- Fiscal
- Human Resources
- Information Technology
- Legislative
- Public Awareness and Education
- Self-Sufficiency
- CalWORKs
- Child Care

- Food Stamps
- Medical Care
- Twenty Small Counties

THE CYCLE BEGINS: 2003-04 GOVERNOR'S BUDGET

In January 2003, the Governor released a budget that highlighted a spending plan that included "realignment" of 12 percent of state General Fund program obligations, including a number of health and social services programs. Under this plan, the state would increase taxes by a net of \$8.2 billion and shift this funding to counties and courts, along with a commensurate amount of program obligations. The new dedicated realignment revenue would come from three sources: a one-cent increase in sales tax, an increase in tobacco tax and new personal income tax brackets.

The Governor's realignment proposal pertained to the following departments:

- Aging,
- Alcohol and Drug Programs,
- Health Services,
- Mental Health Social Services, and
- Social Services.

According to the Governor's budget summary, the intent was to provide counties with greater flexibility to use these funds and administer the realigned programs, as well as "improve fiscal incentives for cost-effective service delivery." Under this proposal, the county share of realigned programs, with the exception of CalWORKs services and administration, would increase to 100% of the non-federal cost. The budget also included funding adjustments for the CalWORKs program based on assumptions about savings associated with the application of the 60-month TANF and CalWORKs time limits and

the implementation of quarterly reporting/prospective budgeting.

The preliminary budget information provided by the Governor did not provide sufficient detail in some program areas for a full analysis. Regardless, it was a budget with a potentially significant impact on counties, due primarily to the strategy of realignment, the full shift of program responsibility to counties, and the uncertainty of the funding strategies identified to fund those realigned programs.

THE LEGISLATIVE ANALYST'S OFFICE RESPONDS

On February 19, 2003, the LAO released its *Analysis of the 2003-04 Budget Bill*. In addition to the Analysis, the LAO also developed a list of “options” for addressing the state’s fiscal crisis. The options are contained in the *Perspectives and Issues* report.

Overall, the LAO was generally favorable toward the realignment proposal. In their analysis, they summarize by stating: “Given the size and diversity of California, we think that realignment of some state programs could improve program outcomes. For this reason, we think realignment merits consideration by the legislature— regardless of its decisions regarding taxes or education funding. To assist the legislature in its review, we identify factors for the legislature to weigh in considering which programs would benefit from realignment. Using these factors, we identify \$9.1 billion in programs meriting consideration: \$5.1 billion of programs proposed by the administration and \$4 billion of programs suggested by our office.”

Additionally, the LAO recommended that the legislature reject the proposed augmentation for county

administration of Medi-Cal, and suggested that the legislature implement caseload targets and productivity standards with funding tied to performance. The analysis also suggested that the DHS funding mechanism rewards counties for volume of work without regard to staff productivity. The LAO further suggested that the state might reduce Medi-Cal administrative costs by assuming the function of application processing, noting that counties currently have no incentive to minimize their Medi-Cal administrative costs because they have no cost share. The LAO states that the state could benefit from administrative and technical efficiencies by funneling applications into a single point of entry at the state, using a centralized computer system. They further suggested that the current internet-based system, Health-e-App, might serve this purpose or model such a system.

CWDA ADVOCATES FOR COUNTIES

The day the budget was released, CWDA issued a preliminary overview of the budget to all county social services directors and fiscal officers. Providing a general overview of the spending plan for Health and Human Services programs, the letter also explains the primary components of the budget, including realignment and funding adjustments for current and other years. Counties were encouraged to provide feedback regarding the potential impact of realignment and shifted funding on their ability to deliver mandated services.

The day the LAO released its *Analysis of the 2003-04 Budget Bill*, CWDA responded with another letter to county social service directors that included a summary of the major findings by the LAO. Outlining the LAO recommendations by program, CWDA provides brief but succinct information on the analysis, including that part of the analysis that

contains the LAO's own recommendations that are not a direct reflection of the Governor's budget.

Subsequently, CWDA initiated a series of meetings and conference calls with counties to develop strategies by which to advocate for the best possible outcome to the budget. As counties looked to the possibility of realignment, it was apparent that there were wide-reaching implications regarding the ability of counties to provide adequate services to their communities. Discretionary programs and services were particularly vulnerable. The new funding streams designated to support realignment provided no guarantee for adequate funding, yet counties would carry the burden of meeting program mandates.

CWDA worked with county executives to isolate issues and prepare effective responses to those issues. They also worked with county leadership to ensure that the county perspective would be represented in the subsequent budget hearings. Counties were asked to prioritize the components of realignment as a preparatory step in the event that a compromise was reached. CWDA also prepared responses to a number of the LAO recommendations, including the proposed shift in Medi-Cal eligibility administration from the counties to the state. CWDA recognized this recommendation as a high impact issue to counties and one that would significantly reduce administration funding. To support the rebuttal of the LAO's recommendation, I was asked to research Medi-Cal administration costs in other states and to do a comparison with California.

THE COUNTY CONTRIBUTION TO THE PROCESS

My comparison of Medicaid administrative costs for the seven largest states provided solid support to the perspective that California is performing this function well. California, in fact, spends 5% less than the national average on eligibility administration costs for Medicaid. Of the seven large states studied, only Florida and Texas have lower administration costs. By contrast, three states had between 10% and 30% higher per recipient administration costs and Illinois spends 78% more than the national average.

This information, coupled with a detailed chart contrasting the complex Medi-Cal program with the simplified Healthy Families program, and a business process flow chart of the Medi-Cal program, provided a great deal of support for counties maintaining this function within their welfare departments. CWDA was able to use these resources and other information to effectively debate the LAO recommendation for shifting Medi-Cal eligibility. This is a clear sign that county participation in the budget process is essential. CWDA, as our primary advocate at the state, can very effectively deliver a message, debate a point, or support our initiatives. What they cannot easily do is provide the detailed analysis of a process or program that is essential to effectively represent or refute a proposed recommendation. County input throughout this process is a critical factor in the ability of CWDA to succeed in advocating for our programs.

CONCLUSION

CWDA is a powerful organization that represents not only the directors of California's 58 county human services agencies, but also the agencies themselves, their staff, clients, community partners, and other stakeholders. The effective oversight of the vast array of services and programs that counties administer is a challenge that is being met well. With the constant inclusion of key county staff, and immediate responses on key fiscal and policy issues, CWDA continues to play a critical role in the legislative and budget processes.

Implications for counties involve simply being involved in the process and recognizing the shared responsibility of all counties to support or refute potential legislation and budget scenarios. The structure of CWDA affords many opportunities for involvement and education. The CWDA website hosts a variety of relevant publications, as well as numerous links to local, state and federal sites, policy groups, research groups, automation project sites, and news media. The key to their success is rapid response to issues. CWDA frequently surveys counties for various pieces of information, including program specifications, business processes, outcomes measurement, and data trends. Counties must support CWDA by providing timely and complete responses on issues, recognizing that their input is essential to the process. The "them" is "us."

I would suggest that Alameda County incorporate these lessons into ongoing trainings. Staff must be made aware not only of their responsibility to respond to CWDA information requests, but also of the reality that CWDA is in a position of constant reaction to shifting budgets and program expectations, and needs staff to be as swift as possible in responding to requests. Staff should be trained in

the structure of this and other state oversight organizations and encouraged to use existing web resources as a tool for program and policy data and research. Staff should also be trained on the legislative process and the budget process (see Appendix A). I would suggest that, the more engaged staff become in the "business" of delivering welfare benefits and services, the greater the focus on quality provision of these services will be.

Key websites include:

<http://www.senate.ca.gov>

<http://www.cwda.org>

<http://www.dss.cahwnet.gov/cdssweb/default.htm>

Additionally, counties must take an active role in the monthly standing committee meetings to discuss program or policy specific issues. Staff needs to clearly get the message that they play an important role in the process that governs their ability to effectively serve clients.

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Appendix A



How a Bill Becomes a Law

