

**AGENDA
SUBCOMMITTEE No. 1
ON HEALTH AND HUMAN SERVICES**

ASSEMBLYMEMBER DAVE JONES, CHAIR

**WEDNESDAY, APRIL 21, 2010
STATE CAPITOL, ROOM 444
1:30 P.M.**

ITEM	DESCRIPTION	PAGE
 VOTE-ONLY ITEMS		
0530	HEALTH AND HUMAN SERVICES AGENCY	
Issue 1	April 1 Finance Letter – Health Information Exchange Federal Grant Award	3
4170	CALIFORNIA DEPARTMENT OF AGING	
Issue 1	Transfer MSSP Local Assistance General Fund to DHCS	4
Issue 2	April 1 Finance Letter – Senior Community Service Employment Program Additional Federal Grant Award	6
5175	DEPARTMENT OF CHILD SUPPORT SERVICES	
Issue 1	Mother’s Marital Status Trailer Bill Language	7
 ITEMS TO BE HEARD		
0530	HHS AGENCY – OFFICE OF SYSTEMS INTEGRATION	
Issue 1	Statewide Automated Welfare System – Project Requests	8
Issue 2	CWS/CMS Web Project	12
Issue 3	Statewide Fingerprint Imaging System	14
Issue 4	April 1 Finance Letter – Electronic Benefit Transfer Project	15

Issue 5	April 1 Finance Letter – CMIPS II	17
5175	DEPARTMENT OF CHILD SUPPORT SERVICES	
Issue 1	Federal Performance Measures	18
Issue 2	Revenue Stabilization Funding	21
Issue 3	April 1 Finance Letter – Administrative Order Setting and Modification Process	23
Issue 4	CCSAS – Transition to New State Disbursement Unit Provider	32

VOTE-ONLY ITEMS

0530 HEALTH AND HUMAN SERVICES AGENCY

ISSUE 1: APRIL 1 FINANCE LETTER – HEALTH INFORMATION EXCHANGE FEDERAL GRANT AWARD

For 2010-11, it is requested that Item 0530-017-3163 be added to the Budget Bill to appropriate \$17,229,000 from the federally supported California Health Information Technology and Exchange Fund. The proposed funds will be used to contract for a Governance Entity that will implement a statewide collaborative process for expanding capacity for electronic health information exchange (\$16.5 million), and to support 3.0 new limited-term positions, through the end of the grant period, and to fund 3.0 existing positions through this federal grant rather than through state reimbursements.

BACKGROUND

California has been awarded a four-year \$38.7 million federal Health and Human Services (HHS) grant, funded under the Health Information Technology for Economic and Clinical Health Act (the HITECH Act), which is part of the American Recovery and Reinvestment Act of 2009 (ARRA). This new Act authorizes HHS to enter into cooperative agreements with states in order to fund efforts to achieve widespread and sustainable health information exchange (HIE) within and among states through sharing of certified Electronic Health Records (EHRs).

Staff Recommendation:

Staff recommends approval of the BCP request as outlined.

4170 CALIFORNIA DEPARTMENT OF AGING

ISSUE 1: TRANSFER MSSP LOCAL ASSISTANCE GENERAL FUND TO DHCS

CDA requests, in a budget change proposal, the permanent transfer of \$20.1 million GF for MSSP from CDA's budget to the budget for the Department of Health Care Services (DHCS). The 2009-10 budget for MSSP state operations and local assistance included a total of \$46.6 million (\$18.6 million GF).

CDA states that this technical change is necessary because the current division of funds for the program between CDA and the Department of Health Care Services (DHCS) makes its funding unclear to the general public and to legislative entities. In addition, CDA states that the funding split creates unnecessary duplication of work by CDA and DHCS (e.g., the preparation of budget requests).

BACKGROUND

MSSP assists elderly Medi-Cal recipients to remain in their homes. Clients must be at least 65 years old and must be certified as eligible to enter a nursing home. The services that may be provided with MSSP funds include: Adult Day Care, Housing Assistance, Personal Care Assistance, Protective Supervision, Care Management, Respite, Transportation, Meal Services, and other Social and Communications Services. The program, which began in 1977 with eight sites, now has 41 sites and serves up to nearly 12,000 clients per month.

CDA oversees the operations of the MSSP program statewide and contracts with local entities that directly provide MSSP services. As the single state agency authorized to administer the state's Medicaid program, DHCS also has an integral role because the program operates under a federal Medicaid Home and Community-Based, Long-Term Care Services Waiver. In 2006, the Legislature transferred the resources at issue to the CDA budget to enhance the Legislature's ability to oversee the program and to align the program's GF funding with its management. Several other state programs that receive Medicaid funding are overseen by and also have resources budgeted under departments or agencies other than DHCS.

STAFF COMMENT

The continued alignment of the funding and management of MSSP under CDA will best meet the Legislature and public's needs for information about and oversight of the program. Therefore, staff recommends rejecting this proposal.

However, staff recommends adopting an alternative technical fix developed by DOF and the Departments. Under this alternative, a new program would be created within CDA's budget for Medi-Cal program funding and Budget Bill Language (for Provision 2 of Item

4170-101-0001) would be revised to authorize the transfer of funds from that new program to DHCS.

Staff Recommendation:

Staff recommends adopting an alternative technical fix developed by DOF and the Departments. Under this alternative, a new program would be created within CDA's budget for Medi-Cal program funding and Budget Bill Language (for Provision 2 of Item 4170-101-0001) would be revised to authorize the transfer of funds from that new program to DHCS. This conforms to action taken in Senate Subcommittee No. 3.

**ISSUE 2: APRIL 1 FINANCE LETTER – SENIOR COMMUNITY SERVICE
EMPLOYMENT PROGRAM ADDITIONAL FEDERAL GRANT AWARD**

This proposal requests a one-time augmentation of federal budget authority (FY 09-10 of \$848,000 and FY 10-11 of \$3,392,000) due to the receipt of federal funds from the United States Department of Labor (DOL). The administration states that current year authority will be requested through the Section 28 process. These funds will be used to provide additional support for the existing Senior Community Service Employment Program (SCSEP) administered by the California Department of Aging (CDA) through the Area Agencies on Aging (AAAs). All SCSEP Appropriations Act funds must be expended by June 30, 2011.

BACKGROUND

SCSEP provides part-time work-based training opportunities at local community service agencies for low-income older workers who have poor employment prospects. While the goal of CDA is to have local entities expend these funds quickly, not all funds will be expended in FY 09-10 due to various local constraints. Therefore any unspent funds allocated in FY 09-10 may be moved into FY 10-11 as allowed per the grant and CDA's provisional budget act language via the Budget Revision process.

DOL has provided funding for an additional 434 participant slots statewide. Additional participant slots will be equitably distributed to the local SCSEP projects according to the CDA funding formula. Without this authority, CDA will be unable to support local activities intended to provide additional subsidized local employment for low-income seniors.

Staff Recommendation:

Staff recommends approval of the additional federal budget authority sought in the April 1 letter as outlined.

5175 DEPARTMENT OF CHILD SUPPORT SERVICES

ISSUE 1: MOTHER'S MARITAL STATUS TRAILER BILL LANGUAGE

DCSS proposes, through Trailer Bill Language (TBL), to amend state law to ensure that the Department of Public Health (DPH) can continue to share information about mothers' marital status with DCSS. DCSS uses this information to meet reporting requirements that are tied to federal incentive funding related to paternity establishment.

BACKGROUND

The DPH Health Information and Strategic Planning Division maintains and manages vital records (i.e., birth, death, fetal death, adoption, marriage, and dissolution) for the state. State law generally prohibits DPH from sharing data regarding individuals' marital status. However, DPH currently shares this information with DCSS via an Interagency Agreement, and DCSS is mandated to protect the data in compliance with related privacy and confidentiality requirements. The Departments are seeking to have the authority for this sharing of information by DPH with DCSS formalized in statute.

Staff Recommendation:

Staff recommends approval of the proposed TBL, with an amendment to add a cross-reference to existing law that protects the confidentiality of the information shared. This action conforms to action taken in the Senate Budget Subcommittee No. 3.

ITEMS TO BE HEARD

0530 HHS AGENCY – OFFICE OF SYSTEMS INTEGRATION

With a total budget of \$251.9 million (OSI Fund, transfers from other mixed sources) in 2009-10 and a proposed budget of \$271.6 million in 2010-11, OSI procures and manages automation projects for the Departments of Social Services and Employment Development.

ISSUE 1: STATEWIDE AUTOMATED WELFARE SYSTEM – PROJECT REQUESTS

Overview. The total 2009-10 maintenance & operations (M&O) budget for SAWS is \$174.7 million (\$93.5 million GF/TANF). These figures include costs for each of the four consortia plus the Welfare Data Tracking and Implementation Project and the impact of a combined \$11.6 million (\$4.5 million GF) reduction that was part of the enacted budget. These figures do not include SAWS statewide project management or upgrade and replacement projects. As a point-in-time snapshot, those additional costs in 2009-10 were \$113.7 million (\$66.7 million GF/TANF).

OSI provides state-level project management and oversight for SAWS, which automates the eligibility, benefit, case management, and reporting processes for a variety of health and human services programs operated by the counties, including the CalWORKs welfare-to-work program, Food Stamps, Foster Care, Medi-Cal, Refugee Assistance, and County Medical Services. There are currently four SAWS consortia. After ISAWS finishes its migration into C-IV (anticipated to occur in June 2010, with some close-out funding for ISAWS remaining in 2010-11), there will be three consortia systems that each contain information for roughly one-third of the statewide caseload.

Current requests for the SAWS Consortium are outlined below.

ISAWS

Budget Request. OSI requests to reduce the budget for the ISAWS Migration project by \$75.4 million (\$45.2 million GF/TANF) as a result of the completion of implementation activities. In 2009-10, Development and Implementation costs for the ISAWS Migration are budgeted to be \$94.9 million, while Maintenance and Operations (M&O) costs are \$11.0 million. By contrast, after the Migration is fully implemented in 2010-11, the Governor's budget includes \$11.4 million for Development and Implementation (a decrease of \$83.5 million) and \$19.1 million for M&O (an increase of \$8.1 million).

The Governor's budget for 2010-11 also continues \$23.9 million (\$12.9 million GF/TANF) in full-year funding for ISAWS. OSI has indicated, however, that the ISAWS budget for 2010-11 will be reduced in the May budget revision to instead include a

significantly lower amount of closing costs and contingency funding in case of delays in the final stages of the Migration.

Background. The ISAWS Migration project is transitioning 35 ISAWS consortium counties to another SAWS consortium called C-IV. After the migration, C-IV will have 13,050 users and include information for approximately 28 percent of clients statewide (according to 2007-08 data). The ISAWS Migration planning phase occurred between July 2006 and June 2008. Implementation began in October 2008, with the actual transition “going live” in three waves during fiscal year 2009-10. The first of these waves took place in November 2009 and the last is scheduled to take place in June 2010. The Migration Project has provided two months of technical support after each of the waves that have happened to date.

CALWIN

Budget Request. OSI requests budget changes and technical adjustments resulting in an increase of CalWIN funding authority by \$1.5 million for 2009-10 and \$4.2 million for 2010-11. The total proposed 2010-11 budget for CalWIN is \$74.3 million (\$38.8 million GF/TANF).

Background. Cal-WIN is the automation system that supports the Welfare Client Data System, one of four consortia within the Statewide Automated Welfare System (SAWS). CalWIN serves 18 counties with approximately 39 percent of the statewide caseload.

The requested adjustments are a result of the following factors:

- As a result of negotiations with the CalWIN vendor in anticipation of contract extension, the price per case increased from \$0.67 to \$.75. This change accounts for \$2.3 million of the requested increase in 2010-11.
- The caseload for the consortium’s counties is projected to grow more than previously anticipated (by 5.3 percent, rather than 3.5 percent in the budget year). This accounts for a \$1.5 million increase in 2010-11.
- A higher amount of the 2009-10 budget cuts to the aggregate SAWS consortia system were originally allocated to CalWIN than is the case today. Another consortium, C-IV, instead experienced a greater reduction than was originally anticipated. This accounts for the \$1.5 million adjustment in the current year.

LEADER

Budget Request. OSI requests an increase of \$44.3 million as the planning phase of the LRS project ends and the design, development and implementation phase begins. Including the proposed resources, the 2010-11 budget for LRS would be \$45.6 million (\$23.3 million GF/TANF). This proposal also includes an additional six-month delay of the beginning of the system’s development (beyond a six-month delay enacted in the 2009-10 budget). The 2009-10 LRS project planning budget is \$1.3 million (\$671,000 GF/TANF).

OSI anticipates total average costs for LRS development and implementation of \$102.2 million annually, for a total of \$408.6 million over four years (\$208.6 million GF/TANF, \$173.3 million federal funds and \$26.7 million county funds) before reaching the M&O phase of the project after December 2014. Although the differing functionalities of the systems make direct comparison difficult, it is worth noting that OSI estimates higher annual operations costs for LRS than those for LEADER.

LEADER. With 2009-10 and 2010-11 M&O costs of \$30.7 million (\$15.7 million GF/TANF) each fiscal year, LEADER is one of four consortia within SAWS. Los Angeles (LA) County entered into an agreement for Unisys to develop LEADER in 1995 and completed countywide implementation of the system in 2001. The system has been in its M&O phase since that time, with its latest Unisys contract scheduled to expire April 30, 2011. To accommodate the LRS schedule, OSI will seek approval to again extend that contract for four additional years through April 30, 2015.

The Legislature has appropriated a total of \$5.3 million (\$2.7 million GF/TANF) between fiscal years (FY) 2005-06 and 2009-10 to support the planning process for a new system to replace LEADER. After the February 2009 budget agreement delayed LRS activities for six months, Los Angeles began negotiations for an LRS contract with a vendor in late 2009. Those negotiations are in progress and could result in lower cost estimates. OSI now expects to conclude planning activities at the end of 2010 and to begin design, development, and implementation of the LRS project in January 2011. OSI anticipates that the project could be completed in December 2014.

LA County intends for LRS to replace not only LEADER, but also the Greater Avenues for Independence (GAIN) Employment and Reporting System (GEARS) for its welfare-to-work program, as well as its General Relief Opportunities for Work (GROW) system, and to contain options for other functionalities. GEARS is currently funded with \$9.2 million TANF funds, while GROW is funded with \$2 million county-only funds.

According to OSI and LA County, LEADER technology is outdated and cumbersome. In addition to meeting strict federal funding requirements and expectations, LRS will streamline LA's business practices, eliminate duplicative data entry, and minimize errors. OSI also indicates that LRS will expand clients and service providers' ability to apply for benefits or report case changes online. LRS will minimize the state's dependency on one vendor's proprietary hardware and software components to run LEADER. The federal government has previously expressed concerns about the state and county's continued non-competitive use of the same vendor; and OSI has indicated that no other qualified vendors have been willing to enter a bid to operate the LEADER system.

PANELISTS

- DSS/OSI: Please speak briefly to each budget request.
- DOF
- LAO
- Public Comment

Staff Recommendation:

Staff recommends holding open the budget requests related to the SAWS automation projects pending May Revision.

ISSUE 2: CWS/CMS WEB PROJECT

OSI requests \$1.8 million (\$827,000 GF) for 10 new positions to support the continuing development of CWS/Web, a replacement system for the existing CWS/CMS. These 10 positions would be in addition to 12 existing OSI positions and up to another 6 OSI-contract staff currently supporting this phase of the project. The 2009-10 budget for CWS/Web is \$7.1 million (\$3.2 million GF). Including the requested funds for OSI staff (and other staff requested by DSS), the 2010-11 budget for the project would increase to \$9.4 million (\$4.3 million GF). OSI estimates a total cost of \$202.8 million (\$91.9 million GF) between 2012 and 2014 to complete the implementation of CWS/Web and enter into its M&O phase.

BACKGROUND

California's CWS system includes a variety of state-supervised, county-administered interventions designed to protect children. Major services consist of emergency response to reports of suspected abuse and neglect, family maintenance or reunification and foster care. CWS/CMS is an automated system that provides case management capabilities for CWS agencies, including the ability to generate referrals, county documents, and case management and statistical reports. The total 2009-10 CWS/CMS project budget is \$83.3 million (\$38 million GF).

The CWS/CMS system was implemented statewide in 1997, and OSI states that CWS/Web is necessary because the CWS/CMS technology is outdated. In addition, OSI and DSS state that the CWS/Web system is needed to increase efficiency and to comply with federal system requirements (which are tied to federal funding). The CWS/Web project is currently in a planning stage, preparing for a full implementation after development ends in 2014. When CWS/Web is completed, the system will rely on a more modern, web-based technical architecture.

According to OSI, the amount and complexity of work related to the CWS/Web Request for Proposal process is greater than initially anticipated. The requested positions would focus on database administration, security management, development, testing, training, quality assurance, operations and configuration management requirements. Without these resources, OSI states that "the risk that the CWS/Web would ultimately fail to be delivered on time, within budget and in accordance with established requirements would be significantly increased."

PANELISTS

- DSS/OSI: Please speak briefly to the budget request.
- DOF
- LAO
- Public Comment

Possible Questions

DSS/OSI, please briefly explain the need for 10 additional staff at OSI to support the planning process for CWS/Web.

DSS/OSI, how will these positions fit in with the project's needs as it moves into development and implementation?

Staff Recommendation:

Staff recommends holding the item open pending May Revision.

ISSUE 3: STATEWIDE FINGERPRINT IMAGING SYSTEM

The administration requests an increase in OSI spending authority of \$8.2 million. The administration states that this is a technical adjustment that will provide conforming authority to spend the \$8.2 million already included in the Department of Social Services' budget for the fingerprint imaging of IHSS recipients.

BACKGROUND

The administration also requests position authority to establish, out of existing funds, four new OSI positions beginning in fiscal year 2010-11 to staff the project for implementation of the SFIS for IHSS recipients and for ongoing support for SFIS in the CalWORKs, Food Stamps, and GA/GR programs. Adding the IHSS to the statewide imaging requirements will, at a minimum, add 4,000 new case workers and increase the number of supported workstations by at least 200 percent. Two of the new staff will replace 1.5 contractor staff, and the other two will manage the additional workload required by the IHSS enhancement. No additional funding is being sought for the positions as the funding has already been appropriated.

PANELISTS

- DSS/OSI: Please speak briefly to the budget request.
- DOF
- LAO
- Public Comment

Possible Questions

DSS/OSI, please provide an update on the IHSS Fingerprinting pilot project and how this is informing costs associated with the 2010-11 implementation? Can the administration advise on what changes we might see in this budget area at May Revision?

DSS/OSI, how much General Fund costs are attributable to this new requirement?

Staff Recommendation:

Staff recommends holding the item open pending May Revision.

ISSUE 4: APRIL 1 FINANCE LETTER – ELECTRONIC BENEFIT TRANSFER PROJECT

The administration requests a decrease of \$10.3 million in FY 09-10 to both the Department of Social Services Local Assistance and OSI Spending Authority due to cost avoidance under the new prime contractor services contract. This request also includes a decrease of \$20.9 million in DSS Local Assistance and a reduction of \$19.7 million to OSI Spending Authority in FY 10-11 due to reduction of state staff and OE&E, cost avoidance under the new ACS contract, reduction of other contract costs due to elimination of transition-related costs, and elimination of county and IV&V costs related to the transition.

BACKGROUND

To expand, the cost avoidance of \$10.3 million is due to the transition of EBT services from the J. P. Morgan Electronic Financial Services, Inc. (JPMorgan EFS) EBT system to the ACS State and Local Solutions, Inc. (ACS) EBT system.

The ACS contract is a more cost effective solution than the original EBT services contract, primarily due to the following reasons:

- Nationwide, costs for EBT services today have come down significantly from 2000 when California executed its first EBT contract with Citicorp, which was later taken over by JPMorgan EFS.
- The initial EBT procurement resulted in only one bidder (Citicorp); hence, California paid premium rates for EBT services. When it was time to procure new EBT services, one of the goals of the reprocurement effort was to develop the Request for Proposal (RFP) in such a way as to encourage competition between EBT service providers. Two bidders submitted proposals (JPMorgan EFS and ACS), which resulted in a cost competition

The rate structure under the JPMorgan EFS contract contained “unbundled” costs where the state paid three different cost-per-case-month (CPCM) rates: food benefits only, cash benefits only, and combined food and cash benefits, along with various other costs for related services and equipment (i.e. calls to the Client Automated Response Unit (ARU), Automated Teller Machine (ATM) cash withdrawals, new and replacement card issuance, pin issuance, monthly payphone surcharge, and purchase of administrative equipment). Research conducted prior to the development of the RFP showed that a “bundled” rate structure (all costs [except work authorizations] are rolled up into the three different CPCM rates) would likely result in California paying less for ongoing EBT services. This proved true, as the state is now realizing a significant cost avoidance under its new EBT contract.

PANELISTS

- DSS/OSI: Please speak briefly to the budget request.
- DOF
- LAO
- Public Comment

Staff Recommendation:

Staff recommends approval of the April 1 Finance Letter.

ISSUE 5: APRIL 1 FINANCE LETTER – CMIPS II

The administration requests a reduction in the DSS Local Assistance budget in CY 09-10 of \$17.8 million and a corresponding reduction of \$8.6 million in OSI Spending Authority. Position authority is also requested for one two-year limited term position in FY 10-11. No funding is requested in association with this position. This position is stated to be necessary to support Contract Management and Project Administration activities. The budget reductions reflect the schedule shift due to changes in the development cycle strategy, and transition into the implementation phase of the project. This shift does not affect the total project budget, but redistributes costs over the remaining term of the project.

BACKGROUND

The purpose of the CMIPS II Project is to design, develop, implement, operate, and maintain a new system to replace the legacy CMIPS system that has been in place for over twenty-five years and supports four In-Home Supportive Services (IHSS) Programs: Personal Care Services Program (PCSP), IHSS Plus Waiver (IPW), IHSS Residual (IHSS-R), and Waiver Personal Care Services (WPCS). These programs provide in-home personal and domestic services to aged, blind, or disabled individuals. These services allow over 400,000 recipients to stay at home and avoid institutionalization. The IHSS program is administered by each county with oversight from the DSS.

A competitive bid for CMIPS II was conducted and the prime vendor contract was awarded to EDS on March 31, 2008. The project approach and budget for the implementation phase was approved in the 2007 Implementation Advance Planning Document (IAPD). The IAPD referenced a contract initiation start date of April 1, 2008 and planned 38 months for the Design, Development, and Implementation (DDI) activities. Due to the timing of federal approval and the changes adopted pursuant to legislation included as part of the 2009-10 Budget Act, the project timeline shifted, extending the DDI phase from a total of 38 months to 46 months.

PANELISTS

- DSS/OSI: Please speak briefly to the budget request.
- DOF
- LAO
- Public Comment

Staff Recommendation:

Staff recommends approval of the April 1 Finance Letter.

5175 DEPARTMENT OF CHILD SUPPORT SERVICES

ISSUE 1: FEDERAL PERFORMANCE MEASURES

With a total budget of \$1.0 billion (\$296.3 million GF) and 617 authorized staff positions in 2009-10, and a proposed budget of \$1.0 billion (\$301.3 million GF) in 2010-11, DCSS oversees child support establishment, collection and distribution services statewide.

The 2007 Human Services budget trailer bill (SB 84, Chapter 177, Statutes of 2007) required DCSS to provide an annual update to the Legislature in the subcommittee process, beginning in 2008, on state and local performance on federal outcome measures, and child support collections. The department will provide this annual update during this hearing.

BACKGROUND

The primary purpose of the child support program is to collect support payments for custodial parents and their children from absent parents. Local Child Support Agencies (LCSAs) provide services such as locating absent parents; establishing paternity; obtaining, enforcing, and modifying child support orders; and collecting and distributing payments. When a family receiving child support is also receiving public assistance (in approximately 20 percent of cases), the LCSAs distribute the first \$50 per month collected from the non-custodial parent to the custodial parent and child. Any additional support collected is deposited into the General Fund to partially offset the state's costs for providing public assistance.

Federal Outcome Measures. Since federal fiscal year (FFY) 2000, the federal government has awarded incentive funding to state child support programs based on specific performance measures. In FFY 2009, the total pool of incentive funds available to states is \$504 million. DCSS estimates that California will receive incentive funds of \$41.7 million in the state's 2009-10 fiscal year and \$40.4 million in 2010-11. The federal government can also penalize states that fall below minimum performance thresholds, up to a maximum penalty of 25 percent of the state's total Temporary Assistance to Needy Families (TANF) block grant. These federal performance measures and minimum thresholds are described below, along with information on California's recent performance.

Statewide paternity establishment percentage measures the total number of children born out-of-wedlock for whom paternity was acknowledged or established in the fiscal year, compared to the total number of children born out-of-wedlock during the preceding fiscal year. The minimum federal threshold is 50 percent plus a two to six percent increase annually if under 90 percent. In 2009, California ranked 4th out of the 32

states for which PEP outcomes were available. This is an improvement from the state's ranking of 8th in the prior year.

Paternity Establishment Percentage	IV-D PEP (measure of entire caseload)
	FFY 2005 - 86.0%
	FFY 2007 - 91.3%
	FFY 2009 - 97.3%
	Statewide PEP (measure of one year)
	FFY 2005 - 106.5%
FFY 2007 - 106.7%	
FFY 2009 - 103.4%	

Percent of cases with a child support order measures cases with support orders, compared to the total caseload. The minimum federal threshold is 50 percent or a five percent annual increase. In 2009, California ranked 35th out of the 51 states (including the District of Columbia) for which this outcome was measured. This is a decline from the state's ranking of 30th in the prior year.

Percent of Cases with a Child Support Order	FFY 2005 - 80.3%
	FFY 2007 - 82.1%
	FFY 2009 - 78.8%

Current collections performance measures the amount of current support collected, compared to the total amount of current support owed. The minimum federal threshold is 40 percent. In 2009, California ranked 45th out of the 51 states (compared with 46th in the prior year).

Current Collections Performance	FFY 2005 - 49.3%
	FFY 2007 - 51.5%
	FFY 2009 - 53.4%

Arrearage (past due) collections performance measures the number of cases with child support arrearages for which there are collections during the FFY. The minimum federal threshold is 40 percent. In 2009, California ranked 40th out of the 51 states (compared with 41st in the prior year).

Arrearage Collections Performance	FFY 2005 - 56.0%
	FFY 2007 - 57.1%
	FFY 2009 - 59.4%

Cost effectiveness measures the total amount of distributed collections, compared to total program expenditures (expressed as distributed collections per dollar of expenditure). The minimum federal threshold is \$2.00. In 2009, California ranked 48th out of the 51 states (although this ranking and the related 2009 cost effectiveness data for California- as reflected below- may be inflated because of a cost offset based on a computation error in the prior year*).

Cost	FFY 2005 - \$2.15
Effectiveness	FFY 2007 - \$2.01
Performance	FFY 2009 - \$2.10*
Level	

PANELISTS

- DCSS: Please provide a brief update on California's performance on each of the five federal measures.
- DOF
- LAO
- Public Comment

Possible Questions

Department, please explain the state's continuing low performance on collections and cost-effectiveness measures when compared to other states?

Department, what are your specific plans to improve upon these outcomes?

Staff Recommendation:

This section is included as an oversight item – no action is required.

ISSUE 2: REVENUE STABILIZATION FUNDING

The Administration proposes to continue in 2010-11 an augmentation of \$18.7 million (\$6.4 million GF) that was enacted in 2009-10. This revenue stabilization funding was intended to support LCSAs in maintaining caseworker staffing levels and stabilizing child support collections. In 2009-10, DCSS estimated that these funds would result in increased recoupment of \$14.4 million in public assistance costs (\$6.6 million GF revenue, and the rest as revenue to federal and county governments). DCSS also expected these funds to result in collection of an additional \$70 million in child support payments that would be passed on to custodial parents and their children.

BACKGROUND

From 2003-04 to 2009-10, state and federal funding for LCSA basic administrative expenses was held flat, with the exception of two one-time increases. According to DCSS, as a result of this relatively flat funding and local increases in the costs of doing business, LCSA staffing levels declined during that time by 1,935 positions (including 517 caseworkers) or 23 percent from a peak in 2002-03, and child support collections decreased. During that same time, the child support caseload statewide declined by about 11 percent (200,000 cases).

The Legislature approved the Administration's request for revenue stabilization funds in 2009-10. ABx4 4 (Chapter 4, Fourth Extraordinary Session of 2009) also contained enacted TBL related to this funding. That legislation required that 100 percent of the new funds be used to maintain caseworker staffing levels. ABx4 4 also specified that revenue stabilization funds should be distributed to counties based on their performance on two key federal outcome measures – Collections on Current Support, and Cases with Collections on Arrears. Finally, ABx4 4 required each LCSA that receives funds to have submitted to DCSS an Early Intervention Plan (EIP) to increase the engagement of non-custodial parents, and required reporting by DCSS to the Legislature on the use and impacts of revenue stabilization funds.

According to a survey DCSS conducted of LCSAs, revenue stabilization funding in 2009-10 has led to retention of 245 caseworkers who may otherwise have been laid off.

Overall child support collections during the first six months of 2009-10 declined by \$3.4 million or three-tenths of one percent when compared with the first six months of 2008-09. The Department estimates that given the recession and high level of unemployment, and based on its assumptions regarding the marginal collections each case worker contributes, the total child support collections during that same time would have dropped by six percent without the work of staff members the LCSAs retained due to stabilization funds.

Specifically with respect to collections that become GF revenue (from cases in which the custodial parent receives public assistance), the first six months of 2009-10 showed an increase of \$9.9 million GF (\$20.8 million total including collections distributed to the federal government) or 10.8 percent when compared to the same time period in 2008-09. The Department estimates that without revenue stabilization funds this increase would have been lower—at about \$5.3 million GF (\$11.1 million all funds) or 5.8 percent.

With respect to non-assistance cases, the first six months of 2009-10 showed a decrease of \$24.2 million or 2.8 percent in collections distributed to custodial parents when compared to the same time in 2008-09. The Department estimates that the decrease would have been larger—about \$75.2 million or 8.7 percent—without revenue stabilization funds.

PANELISTS

- DCSS
- DOF
- LAO
- Public Comment

Possible Questions

Department, please briefly describe how revenue stabilization funds were allocated to LCSAs in 2009-10 and what impact you believe those funds have had on their ability to collect and distribute child support statewide.

Department, please briefly describe the early intervention efforts that LCSAs are engaging in and provide specific examples of how these efforts have proven effective so far.

Department, in the budget year and future years, how will you continue to track and assess the effectiveness of the proposed augmentation and resulting revenue increase?

Staff Recommendation:

Staff recommends approval of the requested revenue stabilization funds for 2010-11 and recommends that the Subcommittee continue to monitor the use of those funds and the resulting collections going forward.

ISSUE 3: APRIL 1 FINANCE LETTER – ADMINISTRATIVE ORDER SETTING AND MODIFICATION PROCESS

The DCSS is requesting authority to establish an administrative process for setting and modifying child support orders. As proposed, this administrative process would be in addition to the current judicial process and would be administered by DCSS and Local Child Support Agency (LCSA) staff. The Department proposed to redirect existing vacancies and associated resources to implement this change.

The administration states that the Budget Year cost for training and travel of \$324,000 (\$110,000 General Fund) will be offset by savings of \$3.3 million (\$1.1 million GF), for a net savings of \$3 million (\$1 million GF). For 2011-12, the cost for travel of \$77,000 (\$26,000 General Fund) will be offset by savings of \$17.1 million (\$5.8 million General Fund), for a net saving savings of \$17 million (\$5.8 million GF).

BACKGROUND

The DCSS proposes to create a three-tier administrative process to establish and modify child support orders. This administrative process would be in addition to the current judicial process. The administration states that the change would improve the timeliness of services and the efficiency and cost effectiveness of child support operations.

Current Process. In accordance with federal law, states have considerable flexibility in designing the processes by which they establish and modify child support orders. In some states, executive-branch agencies establish orders administratively. In many, courts play a key role in child support order establishment.

An administrative process is one in which a child support program establishes and/or modifies support orders, often without a court hearing. If an order is contested, the case is heard in the executive branch, and the presiding officer is a non-judge, such as a hearing officer. In this process, attorney involvement is limited.

A judicial process is one in which child support orders are established in court. While child support program staff play a large role in this process (e.g., locating parents), an order is generally established on a specified court date. A judge or judge surrogate presides. Contested orders are also heard in court. Attorneys play a central role, often representing the child support agency before the court.

Current Court Involvement. In California child support orders are established judicially. Court commissioners or family law judges have the final authority for deciding the amount of child support to be paid and who will be responsible for making the payments. LCSAs obtain support orders from the court, and may ask the court to modify existing orders. The courts use guidelines established by state law to set the

amount of child support. The guidelines take into account how much money each parent earns and the amount of time each parent cares for the child. LCSAs may assist parents in preparing a stipulation agreement for child support without having to appear in court. LCSAs use the same guidelines as the court. If the NCP agrees to pay the guideline amount of child support, a stipulation is prepared. The court usually approves this stipulation without requiring a court appearance.

Current law allows an individual to request a review of his or her child support order if there has been a change in circumstances. Current law also requires LCSAs to mail written notice to the parties in all cases, at least once every three years, informing them of their right to request that the LCSA review and, if appropriate, seek to modify the child support order. If the LCSA determines that a modification is appropriate, the LCSA files a Notice of Motion or Order to Show Cause with the court. Both parties are served with a copy of the notice, which notifies them of the date, time, and location of the hearing. At the hearing, the court reviews the information to determine the guideline child support amount.

When both parties agree to a new child support amount prior to the hearing, LCSAs may assist them in preparing a stipulation agreement. The stipulation is filed with the court without the requirement of a hearing, and once approved by the court, becomes the new child support order. When a hearing is necessary to establish or modify a child support order, child support customers and LCSAs may appear by telephone, audiovisual, or other electronic means. Court commissioners must be physically present in the county courthouse where a matter is to be heard. Many small counties share the same commissioner, who must travel between court locations to preside over child support hearings.

Administration's Arguments. California established a child support commissioner system in 1996, intended to expedite the processing of child support orders. Unfortunately, limited court resources and the inability of local superior courts to coordinate efforts have had a systemic impact on the timely processing of IV-D cases. Child support customers who participate in the current judicial system experience a very lengthy, time-consuming process for establishing orders and obtaining support. On average, it takes six to nine months to establish a court order.

Given the current economic condition and the absence of additional resources, proposals to allow the courts to coordinate efforts have been pursued. Steps have been taken to expand the accessibility of IV-D courts by allowing child support customers and LCSAs to appear by telephone, audiovisual, or other electronic means. Under current law however, commissioners can only hear cases when they are physically present in the county courthouse where a matter is to be heard. Many small counties share the same commissioner, who must travel between court locations to preside over child support hearings, further limiting the availability of dates and times for matters to be heard.

Delays in establishing support orders have a negative impact on families in need of child support, as well as NCPs who often find themselves owing child support arrears based on the amount of time between the filing of summons and the entry of judgment. Delays in modifying support orders to reflect changed circumstances also have the potential to increase uncollectible arrears that can discourage payment of current support obligations by noncustodial parents.

Recognizing the importance of creating a good working relationship with participants from the outset of a case, the DCSS recently implemented a statewide focus on early intervention to encourage participants to communicate with the Child Support program. This proposal expands on those efforts by encouraging the efficient, non-adversarial and cost-effective establishment and modification of child support through the use of an innovative hybrid of judicial and administrative processes.

Proposed Process.

The DCSS proposes to create a three tier administrative process for the establishment and modification of court orders:

Tier 1: Office Conference to be held at the LCSA, and administered by a caseworker.

To start the process, the LCSA would file either a Summons & Complaint or Notice of Motion to Modify with the court, depending on whether the case is in the establishment or enforcement phase. The LCSA would schedule an office conference approximately 30 calendar days out, and generate a Notice to Appear which would be served on all parties along with a proposed order. The Notice to Appear would notify the parties that they are to appear at the LCSA for an office conference.

The office conference would be administered by a Conference Officer (an LCSA caseworker with specialized mediation training). At the office conference, parties would be given an opportunity to provide additional information regarding their income, expenses, and child timeshare. The Conference Officer would calculate support immediately based on the best information available at that time.

If the parties appear at the office conference and agree to the terms of support, the Conference Officer would generate a stipulation for the parties to sign immediately. The stipulation would be sent to the court for approval, along with a conference summary written by the Conference Officer. The order would become final when the court files the stipulation. The LCSA would then serve the parties by mail with a copy of the final order.

If the parties either do not appear, or appear but do not agree to the terms of support, the Conference Officer would generate an interim order which would be based on the best information available to the LCSA as of that time. The interim order would be sent to the court for approval, along with a conference summary. The order would be

considered issued and enforceable once filed by the court. The LCSA would serve the parties by mail with the interim order. If neither party requests a hearing within 20 calendar days from mail service of the interim order, the LCSA would file a Notice of Entry with the court, indicating that the interim order has become the final order.

Tier 2: Administrative hearing before a Hearing Officer at the LCSA, administered by a State attorney (upon request only).

If either party requests a hearing orally or in writing, within 20 calendar days from mail service of the interim order, the issue would be elevated to a hearing before a Hearing Officer (a State level attorney). The LCSA would file a notice with the court indicating that a hearing would be held, and that the interim order, while still enforceable, has not yet become final. The LCSA would schedule a hearing approximately 30 calendar days out, and notice the parties by mail of the hearing date. The parties could also file a request for hearing directly with the court, which would bypass this step.

The hearing before a Hearing Officer would be held at the LCSA. The Hearing Officer would review the evidence regarding income, expenses, and child timeshare and make findings regarding those issues. At the conclusion of the hearing, the Hearing Officer would prepare an interim order based on the information presented. The LCSA would send the interim order to the court for filing, along with a hearing summary written by the Hearing Officer. The new interim order would be considered issued and enforceable once it is filed by the court. The LCSA would serve the parties by mail with the interim order. If neither party requests a hearing within 20 calendar days from mail service of the interim order, the LCSA would file a Notice of Entry with the court, indicating that the interim order has become the final order.

Tier 3: Court hearing, administered by a Court Commissioner or Family Law Judge (upon request only).

If either party wished to have a hearing before a Court Commissioner or Family Law Judge, they could request such a hearing within 20 days from service of the interim order. The LCSA would facilitate the scheduling of a court hearing, and an LCSA attorney would appear at the hearing to represent the agency. The court would consider the issues and issue a final order.

To assist with the timely processing of child support hearings at the judicial level, this proposal would authorize the Title IV-D commissioners to hold hearings on cases managed by LCSAs from any physical court location within any county. Title IV-D commissioners could hear cases in person, by telephone, by audiovisual means or by other electronic means.

The office conference process would be more user friendly and accessible, as it would engage child support customers at the beginning of the process and encourage them to fully participate in all aspects of establishing or modifying child support orders. The process would ensure the accuracy of support orders by relying on current income

information, and would allow for more timely payments by noncustodial parents on current support and arrears. Furthermore, by reducing the time involved in establishing or modifying orders to an average of sixty days, the office conference process would assist in preventing the accrual of arrears and result in more efficient use of both LCSA and court resources.

Implementation. DCSS states that implementation of this process would be accomplished in two phases. The first phase would implement the administrative process for all modifications statewide effective January 1, 2011. After one year of operation and evaluation of the process, the second phase would implement the administrative process statewide for the establishment of all child support orders, effective January 1, 2012. This timeline provides the necessary time for DCSS and the LCSAs to conduct necessary activities prior to implementation of the administrative process, including re-engineering of staff activities, hiring, and critical staff training. In addition, this timeline provides DCSS with the necessary time for the development of forms and automation changes.

Fiscal. The fiscal breakdown as provided by the DCSS is included in the next two pages.

Net Cost Reduction

	<u>SFY 2010-11</u>	<u>SFY 2011-12</u>	<u>SFY 2012-13</u>	<u>SFY 2013-14</u>	<u>SFY 2014-15</u>	<u>Cumulative Totals</u>
JCC Contract Reduction ¹¹	\$ (2,710,664)	\$ (13,892,803)	\$ (27,955,347)	\$ (33,546,417)	\$ (33,546,417)	\$ (111,651,648)
<i>Potential Staff Changes</i>	(24.2)	(99.9)	(125.7)	(50.0)	-	(299.8)
LCSA Legal Staff ¹²	\$ (621,460)	\$ (3,185,133)	\$ (6,409,182)	\$ (7,691,018)	\$ (7,691,018)	\$ (25,597,811)
<i>Potential Staff Changes</i>	(10.9)	(17.1)	(28.4)	(11.3)	-	(67.7)
Hearing Officers & Support ¹³	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Proposed Staff Changes</i>	18.0	2.0	-	-	-	20.0
One-Time Costs ¹⁴	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Ongoing Costs ¹⁵	\$ 74,000	\$ 77,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 301,000
Net Change Total	\$ (3,008,124)	\$ (17,000,936)	\$ (34,314,529)	\$ (41,187,435)	\$ (41,187,435)	\$ (136,698,459)
<i>SGF</i>	<i>\$ (1,022,762)</i>	<i>\$ (5,780,318)</i>	<i>\$ (11,666,940)</i>	<i>\$ (14,003,728)</i>	<i>\$ (14,003,728)</i>	<i>\$ (46,477,476)</i>

¹¹ Assumes a cost reduction for Court Commissioner Services as the processing of court orders shifts from a Judicial to Administrative process.

¹² Assumes a reduction in local staffing (attorney classifications) as county representation in judicial hearings decreases.

Reduction based on statewide weighted average salary for all legal classifications.

¹³ Assumes Staff Counsel IIIs (State level) will act as Hearing Officers under the new administrative hearing process for Child Support Orders. This proposal requests 14.0 SCIIIs, 3.0 SCIII (Supervisors), and 3.0 MSTs.

¹⁴ Assumes one-time costs of \$250,000 for curriculum development and training.

¹⁵ Assumes ongoing costs of \$50,000 for in-state travel for Hearing Officers.

Admin Process - Fiscal Summary - By Tier
04.19.2010

Tier 1 Net Cost Reduction						
	<u>SFY 2010-11</u>	<u>SFY 2011-12</u>	<u>SFY 2012-13</u>	<u>SFY 2013-14</u>	<u>SFY 2014-15</u>	<u>Cumulative Totals</u>
JCC Contract Reduction ¹¹	\$ (2,418,626)	\$ (12,249,436)	\$ (24,577,024)	\$ (29,492,429)	\$ (29,492,429)	\$ (98,229,944)
<i>Potential Staff Changes</i>	(21.6)	(87.8)	(110.2)	(43.9)	-	(263.5)
LCSA Legal Staff ¹²	\$ (554,506)	\$ (2,808,366)	\$ (5,634,651)	\$ (6,761,581)	\$ (6,761,581)	\$ (22,520,684)
<i>Potential Staff Changes</i>	(9.8)	(15.0)	(24.9)	(9.9)	-	(59.5)
Hearing Officers & Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Proposed Staff Changes</i>	-	-	-	-	-	-
One-Time Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ongoing Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change Total	\$ (2,973,132)	\$ (15,057,802)	\$ (30,211,675)	\$ (36,254,010)	\$ (36,254,010)	\$ (120,750,628)
SGF	\$ (1,010,865)	\$ (5,119,653)	\$ (10,271,969)	\$ (12,326,363)	\$ (12,326,363)	\$ (41,055,214)

Tier 2 Net Cost Reduction						
	<u>SFY 2010-11</u>	<u>SFY 2011-12</u>	<u>SFY 2012-13</u>	<u>SFY 2013-14</u>	<u>SFY 2014-15</u>	<u>Cumulative Totals</u>
JCC Contract Reduction ¹¹	\$ (292,038)	\$ (1,643,368)	\$ (3,378,323)	\$ (4,053,988)	\$ (4,053,988)	\$ (13,421,704)
<i>Potential Staff Changes</i>	(2.6)	(12.1)	(15.5)	(6.0)	-	(36.2)
LCSA Legal Staff ¹²	\$ (66,954)	\$ (376,767)	\$ (774,531)	\$ (929,437)	\$ (929,437)	\$ (3,077,127)
<i>Potential Staff Changes</i>	(1.2)	(2.1)	(3.5)	(1.4)	-	(8.2)
Hearing Officers & Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Proposed Staff Changes</i> ¹³	18.0	2.0	-	-	-	20.0
One-Time Costs	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000
Ongoing Costs	\$ 74,000	\$ 77,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 301,000
Net Change Total	\$ (34,992)	\$ (1,943,134)	\$ (4,102,854)	\$ (4,933,425)	\$ (4,933,425)	\$ (15,947,831)
SGF	\$ (11,897)	\$ (660,666)	\$ (1,394,970)	\$ (1,677,365)	\$ (1,677,365)	\$ (5,422,263)

\1 Assumes a cost reduction for Court Commissioner Services as the processing of court orders shifts from a Judicial to Administrative process.

\2 Assumes a reduction in local staffing (attorney classifications) as county representation in judicial hearings decreases.

Reduction based on statewide weighted average salary for all legal classifications.

\3 Assumes Staff Counsel IIIs (State level) will act as Hearing Officers under the new administrative hearing process for Child Support Orders. This proposal requests 14.0 SCIIIs, 3.0 SCIII (Supervisors), and 3.0 MSTs.

PANELISTS

- DCSS
- DOF
- LAO
- Public Comment

STAFF COMMENT

Staff has received considerable reaction and input from stakeholders, including the Judicial Council, the Association of Child Support Attorneys of Los Angeles County, and the Family Law Section of the Orange County Bar Association.

The principals concerns heard from advocates include the following:

- The Spring Finance Letter includes massive policy and process changes for child support enforcement without a stakeholder or policy formulation process.
- The proposal runs contrary to the findings of the Governor's Child Support Task Force Report issued April 28, 1995 and with the recommendations issued by the Elkins Family Task Force issued in 2009.
- The child support determination frequently invokes judicial discretion in such issues as hardship deductions, deviation from guidelines, and add-on costs, cases that would necessitate a court hearing from the outset.
- The proposal does not address the issues of a long timeframe for order establishment and efficiencies at LCSAs, but rather depends upon LCSAs and current problematic processes more heavily and for more decision-making.
- The projected cost-savings do not account for needed system and process costs associated with these large-scale changes. The ability of these changed processes to improve California's performance for federal indicators is highly questionable.
- The administrative approach, without informing consumers of their rights and offering them court review at the outset of the process, raise serious due process concerns.
- The process poses major conflict of interest issues and raises separation of powers concerns.
- The comparison of this proposal with the Pennsylvania model are worth close examination, as that administrative process operates with major differences that include legal safeguards that this proposal lacks.
- The ethical oversight over the administrative order-setting is severely lacking.
- The process creates a system where access to the courts is unequal, leading to unequal justice, particularly for the most low-income and otherwise vulnerable of clients and families.

Possible Questions

Department, please walk through the changes at LCSAs necessary to achieve this proposed change in process and what costs or savings are associated with these.

Department, what consultation took place with stakeholders in the development of this proposal?

Department, how does the administration respond to the due process, conflict of interest, and equal protection issues raised by critics of the proposal?

Staff Recommendation:

First, staff recommends rejection of the proposal on the basis that it raises serious overarching and technical questions that cannot be appropriately considered or vetted in the budget review process. Second, staff recommends that the Subcommittee consider directing DCSS to meet with stakeholders as soon as possible toward consideration of a proposal involving the Early Intervention and stipulation-agreement approach included in Tier 1 of the proposal, and, if there are cost savings that maintain due process and access to court channels, report back to the Subcommittee at May Revision on an alternative proposal in this vein.

ISSUE 4: CCSAS – TRANSITION TO NEW STATE DISBURSEMENT UNIT PROVIDER

This Spring Finance Letter (SFL) requests resources for one-time costs associated with transitioning the Child Support Enforcement (CSE) system from vendor-provided services to the State. This SFL updates the DCSS Budget Change Proposal (BCP) #1 and requests an increase of \$14.1 million (\$4.8 million General Fund [GF]) in State Fiscal Year (SFY) 2010/11 to pursue a non-competitive bid with IBM for CSE transition services. These costs will be reflected in the CCSAS 2010 Annual Advanced Planning Document Update (APDU) and the related Child Support Enforcement (CSE) Special Project Report 15 (SPR #15) scheduled for release April 1, 2010. Additionally, resources are requested for one-time start-up costs for the new SDU Service Provider (SP) beginning April 1, 2011. The administration states that funding for these adjustments will be provided through re-appropriated funds.

Federal law requires each state to operate a child support program and meet specified performance measures. Federal law also requires each state to have a single statewide automation system for its child support program. On June 20, 2008, California received approval from the federal government for an Alternative System Configuration (ASC) certification. More than \$190 million in General Fund penalties were returned to California following that approval. To date, \$2.2 billion has been invested in the creation of the CCSAS system.

The Business Partner (BP), an alliance led by IBM, is currently on contract to develop and implement the CCSAS CSE system, provide two years of maintenance and operations (M&O) services and data center hosting. At the end of the contract period, October 2010, services provided by the BP will become the State's responsibility. To fulfill this responsibility, the Department must have in place all the resources, including personnel, equipment, and facilities, required to continue CCSAS operations without impact to system reliability, availability and performance.

PANELISTS

- DCSS
- DOF
- LAO
- Public Comment

Staff Recommendation:

Staff recommends approval of the use of new funding of \$4.8 million General Fund associated with this request, and sweep all unspent DCSS reappropriation funds, scoring net \$1.8 million General Fund. Direct staff to work with DOF and LAO to realize this change and make appropriate BBL changes to align with the action.