

STATE OF CALIFORNIA  
**Budget Change Proposal - Cover Sheet**  
 DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit 5180	Department California Department of Social Services	Priority No. CDSS-304
Budget Request Name 5180-304-BCP-BR-2016-A1		Program <b>4270-WELFARE PROGRAMS</b>	Subprogram <b>4270019-OTHER ASSISTANCE PAYMENTS</b>

**Budget Request Description**  
 Transfer of the Commodity Supplemental Food Program

**Budget Request Summary**

The California Department of Social Services requests the permanent transfer of the Commodity Supplemental Food Program, associated position and funding from the California Department of Education.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input type="checkbox"/> FSR <input type="checkbox"/> SPR    Project No.    Date:		

If proposal affects another department, does other department concur with proposal?  Yes  No  
 Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Department Director	Date	Agency Secretary	Date

**Department of Finance Use Only**

Additional Review:  Capital Outlay  ITCU  FSCU  OSAE  CALSTARS  Dept. of Technology

ET Type:  Policy  Workload Budget per Government Code 13308.05

PPBA	Date submitted to the Legislature
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## BCP Fiscal Detail Sheet

BCP Title: Transfer of the Commodity Supplemental Food Program

DP Name: 5180-304-BCP-DP-2016-A1

### Budget Request Summary

FY16-17

	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	1.0	1.0	1.0	1.0	1.0
<b>Total Positions</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
Salaries and Wages						
Earnings - Permanent	0	59	59	59	59	59
<b>Total Salaries and Wages</b>	<b>\$0</b>	<b>\$59</b>	<b>\$59</b>	<b>\$59</b>	<b>\$59</b>	<b>\$59</b>
Total Staff Benefits	0	30	30	30	30	30
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$89</b>	<b>\$89</b>	<b>\$89</b>	<b>\$89</b>	<b>\$89</b>
Operating Expenses and Equipment						
5301 - General Expense	0	1	1	1	1	1
5302 - Printing	0	2	2	2	2	2
5304 - Communications	0	2	2	2	2	2
5320 - Travel: In-State	0	2	2	2	2	2
5324 - Facilities Operation	0	9	9	9	9	9
5344 - Consolidated Data Centers	0	2	2	2	2	2
5346 - Information Technology	0	1	1	1	1	1
<b>Total Operating Expenses and Equipment</b>	<b>\$0</b>	<b>\$19</b>	<b>\$19</b>	<b>\$19</b>	<b>\$19</b>	<b>\$19</b>
<b>Total Budget Request</b>	<b>\$0</b>	<b>\$108</b>	<b>\$108</b>	<b>\$108</b>	<b>\$108</b>	<b>\$108</b>

### Fund Summary

Fund Source - State Operations						
0890 - Federal Trust Fund	0	108	108	108	108	108
<b>Total State Operations Expenditures</b>	<b>\$0</b>	<b>\$108</b>	<b>\$108</b>	<b>\$108</b>	<b>\$108</b>	<b>\$108</b>
<b>Total All Funds</b>	<b>\$0</b>	<b>\$108</b>	<b>\$108</b>	<b>\$108</b>	<b>\$108</b>	<b>\$108</b>

### Program Summary

Program Funding						
4270019 - Other Assistance Payments	0	108	108	108	108	108
<b>Total All Programs</b>	<b>\$0</b>	<b>\$108</b>	<b>\$108</b>	<b>\$108</b>	<b>\$108</b>	<b>\$108</b>

Analysis of Problem

BCP Title: Transfer of the Commodity Supplemental Food

DP Name: 5180-304-BCP-DP-2016-A1

**Personal Services Details**

Positions	Salary Information			<u>CY</u>	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
	Min	Mid	Max						
5393 - Assoc Govtl Program Analyst (Eff. 07-01-2016)	4,488	4,948	5,618	0.0	1.0	1.0	1.0	1.0	1.0
<b>Total Positions</b>				<b>0.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
Salaries and Wages				<b>CY</b>	<b>BY</b>	<b>BY+1</b>	<b>BY+2</b>	<b>BY+3</b>	<b>BY+4</b>
5393 - Assoc Govtl Program Analyst (Eff. 07-01-2016)				0	59	59	59	59	59
<b>Total Salaries and Wages</b>				<b>\$0</b>	<b>\$59</b>	<b>\$59</b>	<b>\$59</b>	<b>\$59</b>	<b>\$59</b>
Staff Benefits									
5150350 - Health Insurance				0	5	5	5	5	5
5150450 - Medicare Taxation				0	1	1	1	1	1
5150500 - OASDI				0	4	4	4	4	4
5150600 - Retirement - General				0	15	15	15	15	15
5150800 - Workers' Compensation				0	1	1	1	1	1
5150900 - Staff Benefits - Other				0	4	4	4	4	4
<b>Total Staff Benefits</b>				<b>\$0</b>	<b>\$30</b>	<b>\$30</b>	<b>\$30</b>	<b>\$30</b>	<b>\$30</b>
<b>Total Personal Services</b>				<b>\$0</b>	<b>\$89</b>	<b>\$89</b>	<b>\$89</b>	<b>\$89</b>	<b>\$89</b>

## Analysis of Problem

### A. Budget Request Summary

The California Department of Social Services (CDSS) requests the transfer of one (1.0) permanent Associate Governmental Program Analyst position and associated funding from the California Department of Education (CDE) effective July 1, 2016. This position is federally funded and will support the Commodity Supplemental Food Program (CSFP), which will transfer from the CDE to the CDSS on October 1, 2016. Absent the approval of this request, the CDSS will not be able to assume responsibility for the state-level administration of the CSFP. The CDE has agreed to this transfer of funding, position, and responsibilities.

### B. Background/History

The CSFP is a United States Department of Agriculture (USDA) program currently administered by the CDE through six local food banks. The program was originally designed to improve the health of low-income seniors, women, infants, and children by supplementing their diets with nutritious USDA approved foods.

On February 7, 2014, the Agricultural Act of 2014 (P.L. 11 3-79), known as the Farm Bill, was signed into law. Prior to enactment of the Farm Bill, state and local agencies administering the CSFP were authorized to serve low-income seniors age 60 and older, women, infants, and children who met the eligibility requirements of the program. Section 4102 of the Farm Bill amended the eligibility requirements of the CSFP. Due to this amendment, state and local agencies began phasing out the participation of women, infants, and children in the CSFP and transitioning it to a low-income, seniors only program. As a result, the CSFP no longer aligns with the CDE's mission to "provide a world-class education for all students, from early childhood to adulthood."

The CDSS's mission is to "serve, aid, and protect needy and vulnerable children and adults in ways that strengthen and preserve families," including the elderly. The CDSS administers various programs including the federal Emergency Food Assistance Program (TEFAP), which provides food assistance to needy families through a network of food banks.

### C. State Level Considerations

As noted above, Section 4102 of the Farm Bill amended the eligibility requirements of the CSFP to provide food assistance only to low-income seniors. The CDE is primarily focused on providing educational services to children. As such, a food assistance program for the elderly no longer fits with the CDE's mission.

The CDE is currently designated as the state administrative agency for the CSFP. The CDSS is designated as the state administrative agency for TEFAP. The CSFP has agreements with six local food banks, while the CDSS has agreements with 48 local food banks, including five of the six served by the CSFP, to provide USDA foods to needy households.

Both programs have similar administrative responsibilities to:

- Order USDA approved foods through the USDA's Web Based Supply Chain Management ordering system, and process local agency claims for reimbursement;
- Allocate USDA approved foods and funds to local distribution agencies;
- Monitor food banks for compliance with USDA program regulations;
- Process claims on a quarterly basis; and
- Work with food banks to ensure compliance with state policies and federal regulations.

## Analysis of Problem

### D. Justification

Section 4102 of the Farm Bill amended the eligibility requirements of the CSFP to provide food assistance only to eligible low-income seniors. The CDE is primarily focused on providing educational services to children. As a result, the CDE looked to transfer the program to an agency with experience providing food assistance and with an existing food distribution infrastructure to assume state administrative responsibility for the CSFP.

The CDE recently met with the CDSS to discuss the viability of transferring the CFSP program. After several discussions, both agencies mutually agreed that due to the CDSS's administrative experience with similar food ordering, claim processing, and food bank monitoring activities, the CDSS could assume state administrative responsibility for the CSFP. The CDE agreed to provide a position to perform the activities necessary to oversee the CFSP program.

The transfer of the program from the CDE to the CDSS will be nearly seamless since both agencies perform similar functions, provide food assistance to needy families, and use the same food-ordering system, and since five of the six food banks servicing the CFSP also service TEFAP participants.

### E. Outcomes and Accountability

There is a USDA requirement that if the dollar amount of program funds used for state administration is planned to be greater than \$30,000, the administering agency must submit a request for approval of additional funds. This oversight safeguards the funds against misappropriation.

The CSFP requires food banks to provide a monthly report of food inventory, usage, and loss, as well as a quarterly report that includes funding balance, agency reimbursement payments, and unliquidated obligations. These reports ensure that the food is being distributed in a timely manner and that agencies are getting reimbursed for program participation.

Additionally, since this program is federally mandated, the USDA conducts management evaluations every two to four years to determine if the CSFP is being administered in accordance with applicable federal regulations. California State Auditor also conducts annual audits, which allow for continual feedback and improvement of the program.

The position and funding requested in this proposal will be used to ensure that the CSFP outcomes and accountability requirements are met.

### F. Analysis of All Feasible Alternatives

#### Alternative One

Do not approve the transfer of program, position and funding resources from CDE to CDSS.

#### Pros:

- No program changes.

#### Cons:

- The mission of the CSFP program and the CDE will continue to be incorrectly aligned.

#### Alternative Two

Move the local assistance authority only, but not the position and state operations funding to the CDSS.

#### Pros:

- Correctly aligns the mission of the CFSP at the CDSS.

## Analysis of Problem

- Provides local assistance CDSS funding to effectuate the correct alignment.

### Cons:

- Lack of additional staff resource will result in reduced program oversight for the CDSS food assistance programs including TEFAP and the Drought Food Assistance Program.
- Reduced support may adversely affect operation of the CSFP.
- One of the six local food banks will need to become familiar with the CDSS as the new department administering program.

### Alternative Three

Approve the request to transfer position and funding resources from the CDE to support the transfer of the CSFP.

### Pros:

- Correctly aligns the mission of the CSFP at the CDSS.
- Provides the appropriate level of resources to allow the CDSS to effectively administer the CSFP.
- Allows for a seamless transition of the CFSP to the CDSS without a break in services.
- No request for additional funding for the CSFP.
- Does not have a general fund impact.

### Cons:

- One of the six local food banks will need to become familiar with the CDSS as the new administering program department.

## G. Implementation Plan

In the spring of 2016, the CDE will begin the knowledge transfer of the CSFP to the CDSS. The CDE will perform the following tasks before October 1, 2016:

- Formalize and create a desk manual covering the entire CSFP process;
- Train CDSS staff on the program;
- Initiate conversations with agencies after the Spring Finance letter is announced. (A yearly best practices meeting takes place in June 2016); and
- Perform all activities necessary to close out the CFSP for Federal Fiscal Year 2015-16. The CDSS staff would work alongside CSFP as they close out the FY 15-16 program.

Effective July 1, 2016, the CDSS will establish one permanent full-time position and the CDE will eliminate one position proportionally. Beginning July 1, 2016, the new position transferred from the CDE will perform the following tasks before October 1, 2016:

- Amend the CSFP State Plan of Operations to transition to the CDSS;
- Enter into annual Memorandums of Agreement with each local food bank; and
- Develop and implement a Federal-State Agreement with the USDA.

## **Analysis of Problem**

Beginning October 1, 2016, the CDSS will be responsible for administering the rest of the workload for the CSFP including:

- Allocate participant caseload and funds received from the USDA to local food banks;
- Manage caseload;
- Provide technical assistance to local food banks;
- Order food from the USDA;
- Process claims for reimbursement from local food banks;
- Monitor local food banks operations to ensure compliance with USDA program regulations; and
- Provide required reports to the USDA.

### **H. Supplemental Information**

None.

### **I. Recommendation**

The CDSS recommends approval of alternative three to transfer position and funding resources from the CDE to administer the CSFP. The purpose of the program is more aligned with the mission of the CDSS and the transfer from the CDE to the CDSS will be nearly seamless.

**Analysis of Problem**

WORKLOAD ANALYSIS for FISCAL YEAR 2016-2017  
Welfare to Work Division  
Welfare Fraud and Emergency Food Assistance Bureau  
Associate Governmental Program Analyst

<b>Task ID #</b>	<b>Activity/Task Name Description</b>	<b>Units</b>	<b>Hours/Unit</b>	<b>Basis for Workload</b>	<b>Total Hours</b>	<b>Staff Requested</b>
101	Order United States Department of Agriculture foods and manage delivery schedules.	72	5	Food orders and managing delivery schedules monthly.	360	AGPA
102	Review, compile, and submit monthly Food and Nutrition Service (FNS) 153 Report.	12	32	The state agency is responsible for consolidating the monthly FNS 153 reports from each of the six local agencies into one consolidated report to the USDA.	384	AGPA
103	Caseload management.	12	32	Review and monitor monthly caseload for each of the six food banks.	384	AGPA
104	Respond to external management evaluation audits and corrective action plan.	1	56	California State Auditor performs yearly audits, allowing for continual feedback and improvement to the program.	56	AGPA
105	Draft and disseminate policy.	1	56	Required in order to issue consistent guidance and offer assistance to ensure food banks are operating programs consistent with program requirements.	56	AGPA

**Analysis of Problem**

<b>Task ID #</b>	<b>Activity/Task Name Description</b>	<b>Units</b>	<b>Hours/Unit</b>	<b>Basis for Workload</b>	<b>Total Hours</b>	<b>Staff Requested</b>
106	Prepare and submit Women, Infants, and Children Match Report and FNS 191 Report.	1	54	The state agency is responsible for submitting the FNS 191 report yearly from each of the six local agencies.	54	AGPA
107	Participate and/or facilitate conference calls and meetings.	4	14	Quarterly conference calls and one best practice meeting is facilitated by the state agency with the six food banks.	56	AGPA
108	Conduct onsite compliance reviews.	3	40	Site compliance reviews are required every two years.	120	AGPA
109	Conduct technical assistance and training.	6	47	Required in order to train food banks on best practices and core components of successful food distributions and program assistance.	282	AGPA
110	Monitor and track CSFP expenditures.	6	20	Monitor and track CSFP expenditures monthly for each of the six food banks.	120	AGPA
111	Process CSFP claims. Includes time spent on preparing, tracking and paying claims submitted by food banks to reimburse their cost for storage, labor, and the distribution of CSFP food.	32	6	Five of the six food banks are agencies that claim quarterly.	192	AGPA
				Total Hours	2,064	1.0 AGPA

Analysis of Problem

DEPARTMENT OF SOCIAL SERVICES  
WELFARE TO WORK DIVISION

PROGRAM INTEGRITY BRANCH

CEA A 280-7500-001  
OT 280-1138-001

WELFARE FRAUD & EMERGENCY  
FOOD ASSISTANCE BUREAU

SSM III 281-4802-001  
OT 281-4687-001

PROGRAM TECHNOLOGY & SUPPORT  
BUREAU

SSM II 282-4801-002

Policy & Regulation Development

SSM I  
281-4800-004

AGPA  
281-5393-708  
281-5393-710  
281-5393-728

Fraud Detection Systems

SSM I  
281-4800-005

AGPA  
281-5393-701  
281-5393-715  
281-5393-726

SSA  
281-5157-727

Emergency Food Assistance Program &  
Fraud Collection Review Section

SSM II  
281-4801-001

Overpayment Collections & Review

SSM I  
281-4800-002

WFPC  
281-4228-001  
281-4228-002

SSA  
281-5157-704

AGPA  
281-5393-705  
281-5393-709  
281-5393-720

Emergency Food Assistance Program

SSM I  
281-4800-007

AGPA  
281-5393-721  
281-5393-723  
281-5393-725  
~~281-5393-XXX~~  
281-5393-910

SSA  
281-5157-724

Electronic Benefits Transfer & Welfare  
Technology

SSM I  
282-4800-002

AGPA  
282-5393-701  
282-5393-711  
282-5393-719

Statewide Automated Welfare Systems

SSM I  
282-4800-003

AGPA  
282-5393-702  
282-5393-710  
282-5393-910  
282-5393-910