

California State Assembly



Agenda

Assembly Budget Subcommittee No. 2 on Human Services

Assemblymember Dr. Corey Jackson, Chair

Wednesday, April 17, 2024
1:30 P.M. – State Capitol, Room 444

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Public Comment will be taken in person after the completion of all panels and any discussion from the Members of the Subcommittee.

Panels

4170 California Department of Aging

5180 Department of Social Services

Issue 1: Senior Poverty, Homelessness, and Hunger

- Margot Kushel, MD, Professor of Medicine and Division Chief at the Division of Vulnerable Populations at Zuckerberg San Francisco General Hospital and Trauma Center and Director, University of California San Francisco (UCSF) Center for Vulnerable Populations and UCSF Benioff Homelessness and Housing Initiative
- Trinh Phan, Director, State Income Security, Justice in Aging
- Sarah Steenhausen, Deputy Director, California Department of Aging
- Kim Johnson, Director, California Department of Social Services
- Tyler Ulrey, Finance Budget Analyst, Department of Finance
- Idalys Perez, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

Issue 2: Review of Master Plan for Aging Milestones and Near-Term State Priorities for Aging Programs

- Sarah Steenhausen, Deputy Director, California Department of Aging
- Kim Johnson, Director, California Department of Social Services
- Yasmin Peled, Senior Policy Advocate, Justice in Aging
- Tyler Ulrey, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

4170 Department of Aging

Issue 3: Department Overview, with Coverage of Spending of Federal Home and Community-Based Services (HCBS) Funding

- Mark Beckley, Chief Deputy Director, California Department of Aging
- Isabella Alioto, Finance Budget Analyst, Department of Finance
- Tyler Ulrey, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

Issue 4: Review of CA 2030 Report and Related State Priorities

- Susan DeMarois, Director, California Department of Aging
- Tyler Ulrey, Finance Budget Analyst, Department of Finance

- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst’s Office

Issue 5: Budget Change Proposals for California Department of Aging

- Nicole Shimosaka, Deputy Director, California Department of Aging
- Tyler Ulrey, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst’s Office

5180 Department of Social Services

Issue 6: Supplemental Security Income/State Supplementary Payment (SSI/SSP) Budget and Program Update

- Claire Ramsey, Chief Deputy Director, California Department of Social Services
- Rebecca Gonzales, Policy Advocate, Western Center on Law and Poverty, and Representing the Californians for SSI Coalition
- Idalys Perez, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst’s Office

Issue 7: In-Home Supportive Services (IHSS) Budget and Program Update

- Claire Ramsey, Chief Deputy Director, California Department of Social Services
- Eileen Cubanski, Interim Executive Director, County Welfare Directors Association of California
- Kim Levy Rothschild, Executive Director, California Association of Public Authorities for IHSS
- Idalys Perez, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst’s Office

Issue 8: In-Home Supportive Services (IHSS) Career Pathways Program Budget and Implementation Review

- Claire Ramsey, Chief Deputy Director, California Department of Social Services
- Tiffany Whiten, Senior Government Relations Advocate, California State Council of Service Employees International Union (SEIU)
- Idalys Perez, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst’s Office

Issue 9: Governor’s Proposal to Delay Housing Disability Advocacy Program (HDAP) and Home Safe Program Funding, with Associated Trailer Bill Language Proposals

- Claire Ramsey, Chief Deputy Director, California Department of Social Services

- Susie Smith, Deputy Director of Policy, Planning, and Public Affairs, San Francisco County Human Services Agency
- Representative (Name Pending), Nevada County
- Idalys Perez, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst’s Office

Issue 10: Oversight of Community Care Expansion (CCE) Funds

- Claire Ramsey, Chief Deputy Director, California Department of Social Services
- Idalys Perez, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst’s Office

Issue 11: Budget Change Proposal for Adult Protective Services Program Planning and Development of Data Warehouse

- Claire Ramsey, Chief Deputy Director, California Department of Social Services
- Idalys Perez, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst’s Office

Issue 12: Community Care Licensing Overview and Update

- Claire Ramsey, Chief Deputy Director, California Department of Social Services
- Idalys Perez, Finance Budget Analyst, Department of Finance
- Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst’s Office

Items To Be Heard

4170 California Department of Aging

5180 Department of Social Services

Issue 1: Senior Poverty, Homelessness, and Hunger

This issue is intended to set the context for the remaining issues in this hearing, focused on older adult, aging issues, and long-term care human services programs.

According to the End Poverty in California (EPIC) effort, 15.2% of seniors in California lived in poverty in early 2023. With the ending of temporary relief and aid provided in the pandemic, rates of poverty, hunger, and homelessness for vulnerable seniors have been increasing.

According to the UCSF California Statewide Study of People Experiencing Homelessness, published in June 2023, the population of individuals experiencing homelessness in California is aging, and the proportion of older adults experiencing homelessness (defined as 50 or older) is increasing. Among single homeless adults in the study, 48 percent were 50 and older. Among single adults 50 and older, 41 percent became homeless for the first time at age 50 or older.

According to CDSS, in recent years an increasing number of older adults and individuals with disabilities find themselves in need of housing support services. Statewide, in 2022, over 149,000 people experiencing homelessness and reporting disabling conditions accessed the homeless response system. In the first six months of 2023, California was on track to surpass that number with over 118,000 individuals already seeking services and reporting a disabling condition, and approximately 20 percent seeking services and being over the age of 55.

Justice in Aging's recent report entitled [California's Older Low-Income Renters Continue to Be Squeezed by Housing Unaffordability and Face a Growing Threat of Aging into Homelessness](#) states that six out of ten of all older renter households in California face unaffordable rents, and that has not improved in five years. California renters are more likely to struggle to pay their housing costs as they age. "Since Justice in Aging issued its 2021 report on Older Californians Facing Unaffordable Rents, rental costs at the more moderately priced end of the market have continued to increase, becoming even more unaffordable to low-income older adults living on a fixed income. Median California rents currently average \$2,750, 38% higher than the national median. For an individual renter trying to survive on Supplemental Security Income (SSI) benefits of \$1,183/month, there is no California county where an efficiency apartment is affordable, and 25 counties where the rent exceeds the SSI grant."

The California Budget & Policy Center's report entitled [Inadequate SSI/SSP Grants Leave Californians Unable to Afford Basic Needs](#) asserts that California's aid to low-income seniors and persons with disabilities cannot compete with the high cost of housing. The Supplemental Security Income/State Supplementary Payment (SSI/SSP) grants help over 1 million low-income older adults and people with disabilities pay for housing and other necessities. However, the current individual grant of \$1,183 is less than the Fair Market Rent (FMR) for a studio apartment

in 25 counties. The following chart from the report illustrates this shortfall in the SSI/SSP grant compared to FMR in all 58 counties.

Studio Apartment Rent Exceeds One-Half of the SSI/SSP Grant in All 58 Counties and Is Higher Than the Entire Grant in 25 Counties

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County	Maximum Grant*	Fair Market Rent (FMR)**	Amount Remaining After Paying Rent	FMR as a Percentage of Grant
1 Alameda	\$1183	\$1825	-\$642	154.3%
2 Alpine	\$1183	\$911	\$272	77.0%
3 Amador	\$1183	\$1128	\$55	95.4%
4 Butte	\$1183	\$1049	\$134	88.7%
5 Calaveras	\$1183	\$1049	\$134	88.7%
6 Colusa	\$1183	\$823	\$360	69.6%
7 Contra Costa	\$1183	\$1825	-\$642	154.3%
8 Del Norte	\$1183	\$791	\$392	66.9%
9 El Dorado	\$1183	\$1543	-\$360	130.4%
10 Fresno	\$1183	\$1149	\$34	97.1%
11 Glenn	\$1183	\$771	\$412	65.2%
12 Humboldt	\$1183	\$950	\$233	80.3%
13 Imperial	\$1183	\$872	\$311	73.7%
14 Inyo	\$1183	\$924	\$2...	78.1%
15 Kern	\$1183	\$960	\$223	81.2%
16 Kings	\$1183	\$1080	\$103	91.3%
17 Lake	\$1183	\$928	\$2...	78.4%
18 Lassen	\$1183	\$760	\$423	64.2%
19 Los Angeles	\$1183	\$1777	-\$594	150.2%
20 Madera	\$1183	\$1083	\$100	91.6%
21 Marin	\$1183	\$2292	-\$1109	193.7%
22 Mariposa	\$1183	\$891	\$292	75.3%
23 Mendocino	\$1183	\$1119	\$64	94.6%
24 Merced	\$1183	\$994	\$189	84.0%
25 Modoc	\$1183	\$660	\$523	55.8%

26	Mono	\$1183	\$1000		\$183	84.5%
27	Monterey	\$1183	\$2340	-\$1157		197.8%
28	Napa	\$1183	\$1819	-\$636		153.8%
29	Nevada	\$1183	\$1209		-\$26	102.2%
30	Orange	\$1183	\$2200	-\$1017		186.0%
31	Placer	\$1183	\$1543		-\$360	130.4%
32	Plumas	\$1183	\$803		\$380	67.9%
33	Riverside	\$1183	\$1517		-\$334	128.2%
34	Sacramento	\$1183	\$1543		-\$360	130.4%
35	San Benito	\$1183	\$1707	-\$524		144.3%
36	San Bernardino	\$1183	\$1517		-\$334	128.2%
37	San Diego	\$1183	\$2062	-\$879		174.3%
38	San Francisco	\$1183	\$2292	-\$1109		193.7%
39	San Joaquin	\$1183	\$1122		\$61	94.8%
40	San Luis Obispo	\$1183	\$1541		-\$358	130.3%
41	San Mateo	\$1183	\$2292	-\$1109		193.7%
42	Santa Barbara	\$1183	\$2330	-\$1147		197.0%
43	Santa Clara	\$1183	\$2383	-\$1200		201.4%
44	Santa Cruz	\$1183	\$2849	-\$1666		240.8%
45	Shasta	\$1183	\$1014		\$169	85.7%
46	Sierra	\$1183	\$911		\$272	77.0%
47	Siskiyou	\$1183	\$838		\$345	70.8%
48	Solano	\$1183	\$1652	-\$469		139.6%
49	Sonoma	\$1183	\$1611	-\$428		136.2%
50	Stanislaus	\$1183	\$1143		\$40	96.6%
51	Sutter	\$1183	\$1125		\$58	95.1%
52	Tehama	\$1183	\$844		\$339	71.3%
53	Trinity	\$1183	\$710		\$473	60.0%
54	Tulare	\$1183	\$977		\$206	82.6%
55	Tuolumne	\$1183	\$919		\$2...	77.7%
56	Ventura	\$1183	\$1725	-\$542		145.8%
57	Yolo	\$1183	\$1497		-\$314	126.5%
58	Yuba	\$1183	\$1125		\$58	95.1%

Adults Programs at the Department of Social Services (DSS). The DSS operates an Adult Programs Division, under which the major safety net/anti-poverty and protective services

programs for older, low-income Californians are administered. In recent years, California has invested in creating and expanding programs under CDSS’s Housing and Homelessness Division that target housing supports to specific older adult populations, including those who are clients of Adult Protective Services (APS), those who are likely eligible for disability benefits, and those in need of care in a residential facility, such as a Residential Care Facility for the Elderly (RCFE).

High-level information about the most prominent of these DSS programs is included below, and more information is included in separate issues for discussion in this agenda.

Program (Dollars in millions)	FY 2023-24 Total	FY 2023-24 GF	FY 2024-25 Total	FY 2024-25 GF
IHSS	\$22,418.4	\$8,020.5	\$24,296.8	\$9,027.5
SSI/SSP	11,288.7	3,559.5	11,518.1	3,674.4

CDSS CASELOAD PROJECTIONS

Program	2023 Budget Act	FY 2023-24 Caseload	FY 2024-25 Caseload	CY to BY % Change
IHSS	645,217	660,497	691,075	4.6
SSI/SSP	1,108,625	1,110,779	1,094,642	-1.5
CAPI	14,532	15,447	15,915	3.0

California Department of Aging (CDA) Programs. The California Department of Aging (CDA) administers community-based programs that serve older adults, adults with disabilities, family caregivers, and residents in long-term care facilities throughout the state. As the federally designated State Unit on Aging, the department administers federal Older Americans Act (OAA) programs, the Health Insurance Counseling and Advocacy Program (HICAP), and two Medi-Cal programs. CDA administers most of these programs through contracts with the state's 33 local Area Agencies on Aging (AAA). At the local level, AAAs contract for and coordinate this array of community-based services to older adults, adults with disabilities, family caregivers, and residents of long-term care facilities. Major CDA programs are summarized under Issue 3 of the agenda.

Panel

Questions and Requests for the Panel:

- ◇ What are the most notable trends for older adults who are served in the major programs administered by CDA and DSS? What new, growing, and immediate needs do you see for older and aging Californians?

- ◇ What are your most significant observations and concerns about rising senior homelessness? What are the impacts of homelessness for this population and what factors are contributing to the current situation?
- ◇ What steps are imperative for the state to take to help to stabilize and keep stable vulnerable older and aging Californians?
- ◇ What are the priority issues and concerns that stakeholders want to raise for the Legislature and Administration to consider as the Budget Act of 2024 is crafted?
 - Margot Kushel, MD, Professor of Medicine and Division Chief at the Division of Vulnerable Populations at Zuckerberg San Francisco General Hospital and Trauma Center and Director, University of California San Francisco (UCSF) Center for Vulnerable Populations and UCSF Benioff Homelessness and Housing Initiative
 - Trinh Phan, Director, State Income Security, Justice in Aging
 - Sarah Steenhausen, Deputy Director, California Department of Aging
 - Kim Johnson, Director, California Department of Social Services
 - Tyler Ulrey, Finance Budget Analyst, Department of Finance
 - Idalys Perez, Finance Budget Analyst, Department of Finance
 - Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

Staff Comments

This is an informational item intended to provide background and context for the other issues discussed in this agenda and hearing.

Staff Recommendation: No action is necessary.

Issue 2: Review of Master Plan for Aging Milestones and Near-Term State Priorities for Aging Programs

Master Plan for Aging. In June 2019, Governor Newsom issued an executive order calling for the creation of a Master Plan for Aging (MPA). In January 2021, the California Health and Human Services Agency (CalHHSA) published the Master Plan for Aging (MPA) to serve as a comprehensive framework that will help to prepare the state for significant demographic changes in the years ahead, including the growth of the 60-and-over population to 10.8 million people by 2030.

The CDA has taken a lead role in developing the MPA. It is driven by five goals (below) and over one hundred initiatives. More information is available at: <https://mpa.aging.ca.gov/>.

- Goal One: Housing for All Ages and Stages.
- Goal Two: Health Reimagined.
- Goal Three: Inclusion and Equity, not Isolation.
- Goal Four: Caregiving that Works.
- Goal Five: Affording Aging.

Panel**Questions and Requests for the Panel:**

- ◇ Please describe the California Department of Aging and Department of Social Services key ongoing initiatives under the Master Plan for Aging.
- ◇ What are the most significant concrete goals for the next few fiscal years from the Master Plan for Aging? By the end of 2026, what should we have accomplished within and from the Five Bold Goals?
- ◇ What are the priority issues and concerns that stakeholders want to raise for the Legislature and Administration to consider as the Budget Act of 2024 is crafted?
 - Sarah Steenhausen, Deputy Director, California Department of Aging
 - Kim Johnson, Director, California Department of Social Services
 - Yasmin Peled, Senior Policy Advocate, Justice in Aging
 - Tyler Ulrey, Finance Budget Analyst, Department of Finance
 - Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

Staff Comments

The Subcommittee may consider requesting information on how the May Revise aligns or does not with the MPA goals for the near and long-term when it is released next month.

Staff Recommendation: Hold open.

4170 Department of Aging

Issue 3: Department Overview, with Coverage of Spending of Federal Home and Community-Based Services (HCBS) Funding

As described under Issue 1, the California Department of Aging (CDA) administers community-based programs that serve older adults, adults with disabilities, family caregivers, and residents in long-term care facilities throughout the state. As the federally designated State Unit on Aging, the department administers federal Older Americans Act (OAA) programs, the Health Insurance Counseling and Advocacy Program (HICAP), and two Medi-Cal programs. CDA administers most of these programs through contracts with the state's 33 local Area Agencies on Aging (AAA). At the local level, AAAs contract for and coordinate an array of community-based services to older adults, adults with disabilities, family caregivers, and residents of long-term care facilities.

Governor’s Budget. The Governor’s Budget includes \$382.2 million (\$181.8 million General Fund) for CDA in 2024-25. CDA’s budget summary is included below:

**California Department of Aging
Expenditures by Fund Source
(Dollars in Thousands)**

FUNDING	2023-24	2024-25
0001 - General Fund (doesn't include GF One-Time Investments -see below)	\$224,520	\$126,178
0289 - State HICAP Fund	\$4,392	\$4,586
0890 - Federal Trust Fund	\$172,355	\$172,791
0942 - Special Deposit Fund	\$1,232	\$1,232
0995 - Reimbursements	\$19,332	\$21,386
3098 - State Department of Public Health Licensing and Certification Program Fund	\$400	\$400
TOTAL, ALL FUNDS	\$422,231	\$326,573

ONE TIME INVESTMENTS		
0001-General Fund- Modernizing OCA	\$37,200	\$37,200
0001- General Fund- Behavioral Health	\$18,434	\$18,434
0001-General Fund- One Time Investments	\$11,498	
8507 - Home & Community-Based Services American Rescue Plan Fund	\$136,336	
TOTAL ONE TIME INVESTMENTS	\$203,468	\$55,634

TOTAL BUDGET	\$625,699	\$382,207
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CDA Programs. Several key CDA programs include:

Home and Community Living Programs. Home and community-based services support older adults, people with disabilities and family caregivers in the setting of their choice. CDA works with 33 AAAs, 11 Caregiver Resource Centers, 286 Community-Based Adult Services (CBAS) Centers, and 37 Multipurpose Senior Services Program (MSSP) Sites through contracting, budget setting, program guidance, monitoring and oversight, technical assistance, and quality assurance.

State Long-Term Care Ombudsman (LTCO). The LTCO seeks to resolve problems and advocate for the rights of residents of long-term care facilities with the goal of ensuring their dignity, quality of life, and quality of care. The LTCO oversees 35 local ombudsman programs consisting of 249 paid staff and 384 volunteers who advocate on behalf of residents of long-term care facilities.

Aging and Disability Resource Connections (ADRCs). ADRCs are coordinated networks of local providers that serve as community access point for older adults, people with disabilities, and caregivers navigating long-term services and supports. ADRC partnerships provide core service functions (Enhanced Information & Referral, Options Counseling, Short-Term Service Coordination, and Facility-to-Home Transition Services) using person-centered practices that empower individuals to make informed decisions and exercise control over their long-term care needs. There are currently 17 designated ADRCs.

Office of the Long-Term Care Patient Representative. The Office of the Long-Term Care Patient Representative provides trained representatives for long-term care residents who may need medical treatment but lack the capacity to make health care decisions and have no legal surrogate authorized to make decisions on their behalf.

Bridge to Recovery Program. The 2022 Budget Act included \$61.4 million General Fund one-time to provide grants to Adult Day Health Care centers and Adult Day Programs, such as CBAS centers, to support the safe return to in-person congregate care. CDA is currently in the process of executing the first round of over 300 grants totaling approximately \$20 million.

CA2030 initiative. In 2022, CDSS initiated the CA2030 initiative, with the goal of reimagining California's aging network based on statewide survey data about what is important to older Californians. CDA and the California Health and Human Services Agency (CalHHS) plan to put forward a set of policies to modernize the network of local AAAs and strengthen the governance system, set performance standards, standardize the delivery of services across the state, and make the system easier to navigate for older Californians and caregivers across the system. This is discussed further under the next issue.

Older Californians Act Modernization. The 2022 Budget Act included \$186 million General Fund (\$59.3 million in 2022-23, \$86.9 million in 2023-24, and \$39.8 million in 2024-25) to restore supports and services for older adults that were reduced during the last recession, including senior nutrition programs, family caregiver supports, volunteer development programs, and aging in place programs. The 2023 Budget Act adjusted the spending period for this \$186 million

investment to be spent over five years instead of three, which totals \$37.2 million in each of the five years. Of this funding, \$181 million has been encumbered within contracts with AAAs and \$7.5 million has been spent on supportive services and nutrition services as of November 2023. CDA anticipates spending on these services to accelerate as activities under the HCBS Spending Plan close out to prevent an abrupt loss of services.

Healthier at Home Pilot Program Reversion of Funds in Governor’s Budget. The Governor proposes to revert \$11.9 million General Fund for the Healthier at Home Pilot program.

The 2022 Budget Act included \$12.5 million General Fund one-time to support a competitive grant pilot program for qualified nonprofit organizations to hire registered nurses and community health care workers to provide health education, navigation, coaching, and care to residents of senior housing developments. Statute requires the pilot program take place in the Counties of Contra Costa, Fresno, Orange, Riverside, Sacramento, San Diego, Shasta, and Sonoma.

Over 2023, CDA began development of this pilot program, including stakeholder engagement, research, and working with a vendor to develop program standards. CDA has spent \$610,000 on program development but has not yet selected the housing sites or implemented the pilot program. According to CDA, some issues surfaced as they worked to develop the pilot program, including capacity of the nonprofits to meet HIPPA requirements and concerns about the programming abruptly ending due to the limited term funding. At this time, CDA has not released a Release for Applications (RFA) for the pilot program.

The \$11.9 million proposed for reversion is all of the remaining funding for this pilot program. As of this writing, the Legislature has taken action to approve this reversion as part of the April Early Action package (see Assembly Bill 106).

Update – Home and Community-Based Services (HCBS) Spending Plan. This portion is intended to provide an update on spending for the CDA components of the federal HCBS Spending Plan. As a part of the 2021 Budget Act, the state was required to submit a package of home- and community-based services (HCBS) enhancements—known as the HCBS Spending Plan—to the federal government as a condition of drawing down additional federal funds resulting from a temporary 10 percentage point increase to the federal Medicaid match rate. California’s plan included approximately \$3 billion in HCBS enhancements (which would be matched by an additional \$1.6 billion in standard Medicaid funds, totaling \$4.6 billion). The Department of Health Care Services (DHCS) is the lead state agency on the plan, which spans 26 initiatives across six departments under the California Health and Human Services Agency.

The 2023 Budget Act extended the HCBS Spending Plan period to December 31, 2024 to maximize an extension made available by the federal government.

CDA Programs under the HCBS Spending Plan. The HCBS Spending Plan includes the following initiatives under CDA:

Access to Technology for Seniors and Persons with Disabilities: \$50 million. This program provides grants to counties to purchase digital devices service plans and training for older adults

to access technology. Forty-one counties are participating. All of the participating counties have fully executed contracts. As of September 2023, \$11.1 million has been spent.

Senior Nutrition Infrastructure: \$40 million. This program provides allocations to local AAAs to issue grants to nutrition providers to improve meal production and delivery infrastructure. All 33 AAAs have finalized grant contracts with CDA and have opted into the program. Since the extension to 2024, CDA has seen many proposals being revised to purchase vehicles originally needed and work completed. As of September 2023, \$9.1 million has been spent.

Direct Care Workforce (non-IHSS) Training and Stipends: \$150 million. The CalGrows program is a statewide direct care workforce training and stipends program to incentivize, support, and fund career pathways training for the non-IHSS direct care workforce. As of October 31, 2023, direct care workers have completed 20,553 courses offered through the CalGrows Program and 4,782 direct care workers have participated in the program. Approximately \$1 million in stipend payments have been paid out to direct care workers since the beginning of the program. The most popular courses among direct care workers include topics related to cultural competency, dementia and Alzheimer's care, and end-of-life care. As of September 2023, \$9.6 million has been spent.

Older Adult Resiliency and Recovery: \$106 million. This program includes a variety of CDA initiatives to support older adults:

- Senior Nutrition: \$20.7 million.
- Senior Legal Services: \$18.8 million
- Fall Prevention and Home Modification: \$9.4 million
- Family Caregiving Support: \$2.8 million
- Digital Connections: \$18 million
- Senior Employment Opportunities: \$17 million
- Aging and Disability Resource Connections: \$9.4 million
- Behavioral Health Line: \$2.9 million
- Elder Abuse Prevention Council: \$1 million
- State Operations Resources: \$6 million

As of September 2023, \$16.4 million has been spent.

No Wrong Door/ Aging and Disability Resource Connections (ADRC): \$5 million. This includes various initiatives to build out the "No Wrong Door" approach, including a data collection system for Older Americans Act and ADRC programs and a statewide web portal for aging and disability services. CDA is in the process of planning a statewide client relationship management system. The system will allow for statewide reporting on ADRC activities, ad hoc reporting and self-service functionality, and reduced system maintenance costs. As of September 2023, \$614,000 has been spent.

Alzheimer's Day Care and Resource Centers: \$5 million. This funds a new pilot program called CalCOMPASS to provide dementia-capable services at licensed centers in the community.

Seven contracts were awarded to adult day programs across the state. As of September 2023, \$3.2 million has been spent.

HCBS Spending Plan Timeline. Pursuant to the extension authorized in the 2023 Budget Act, departments generally have through December 31, 2024 to spend down the remaining allocations and close out programs.

Panel

Questions and Requests for the Panel:

- ◇ Please provide a brief overview of CDA's programs and proposed budget for 2024-25.
- ◇ What is the current status of the Long-Term Care Ombudsman program? Does this program have the resources to meet the need for ombudsman staff and volunteers to provide needed support and assistance for older adults?
- ◇ Please provide an update on the Bridge to Recovery Program and how this program is supporting CBAS Centers returning to congregate care.
- ◇ Please provide an update on the CDA programs included under the HCBS Spending Plan. For those initiatives that demonstrate low spending as of September 2023, how does CDA intend to ensure that all HCBS funds will be spent within the administration's timeline? What is the Department of Finance's (DOF's) process for tracking and adjusting expenditures to ensure all remaining funds are spent by the deadline?
 - Mark Beckley, Chief Deputy Director, California Department of Aging
 - Isabella Alioto, Finance Budget Analyst, Department of Finance
 - Tyler Ulrey, Finance Budget Analyst, Department of Finance
 - Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

Staff Comments

Subcommittee staff notes that while an extension of the HCBS Spending Plan period was ultimately authorized as part of the 2023 Budget Act, actual spending within many HCBS Spending Plan initiatives, including those initiatives under CDA, has been significantly slower than the Administration's original projections. Lags in claiming and reimbursements contribute to lower reported spending amounts in quarterly updates, however questions remain as to the Administration's ability to spend down remaining funds within the timeline allowed by the federal government. The Joint Legislative Budget Committee (JLBC) has requested information from DOF regarding the plans that departments have in place to ensure all remaining funds are spent by the deadline, and timelines for remaining activities and expenditures.

Staff Recommendation: Hold open.

Issue 4: Review of CA2030 Report and Related State Priorities

In 2022, CDA initiated the CA2030 initiative, with the goal of reimagining California's aging network based on statewide survey data about what is important to older Californians. CDA and the California Health and Human Services Agency (CalHHS) issued the "California 2030: Recommendations for a Future-Ready California Aging Network," available [at a link here](#). Also available at this CDA site are four public stakeholder webinar recordings.

CDA states that the cost of the consulting contract with Collaborative Consulting for the CA2030 project was \$1.04 million (federal Home and Community Based Spending Plan dollars used). CDA contracted with Collaborative Consulting to conduct extensive qualitative and quantitative research to inform the CA2030 project, designed and facilitated monthly CA2030 Steering Committee meetings, conducted extensive stakeholder engagement, and led weekly CDA leadership planning meetings. CDA asserts that the project artifacts will inform CDA's efforts to strengthen the Aging Network.

The CA2030 project was implemented over 12 months in nine phases of work and below is detail regarding the deliverables provided under each phase of work.

December 2022 -December 2023

- Phase 1: Background Research on the California Aging Network
- Phase 2: Organize & Launch CA 2030 Steering Committee
- Phase 3: Internal & External Stakeholder Interviews
- Phase 4: Develop Profile of the California Aging Network
- Phase 5: Promising Practices Research
- Phase 6: External Trends & Projections Research
- Phase 7: Statewide Community Needs Assessment (administered by a separate consultant, Polco)
- Phase 8: Draft CA 2030 Recommendations
- Phase 9: Final CA 2030 Report

The report outlines recommendations across nine broad areas, including:

1. Strategic Planning
2. Funding
3. Services
4. Communications
5. Planning and Service Areas (PSAs) & Designations
6. Performance
7. Data & Information Technology
8. Workforce
9. Advocacy

On the next page is a list, as included in the CA2030 report, of the Area Agencies on Aging (AAAs) across California.

PSA#	AAA NAME	STRUCTURE	COUNTIES COVERED BY AAA
1	Area 1 Agency on Aging	Nonprofit	Del Norte, Humboldt
2	PSA 2 AAA	Nonprofit JPA	Lassen, Modoc, Shasta, Siskiyou, Trinity
3	Passages	Nonprofit	Butte, Colusa, Glenn, Plumas, Tehama
4	Area 4 Agency on Aging	Nonprofit JPA	Nevada, Placer, Sacramento, Sierra, Sutter, Yolo, Yuba
5	Marin Aging & Adult Services	County Gov't	Marin
6	SF Dept. of Aging & Adult Services	County Gov't	San Francisco
7	Aging & Adult Services Contra Costa County	County Gov't	Contra Costa
8	San Mateo AAA	County Gov't	San Mateo
9	Alameda Adult & Aging Services	County Gov't	Alameda
10	Sourcewise	Nonprofit	Santa Clara
11	Dept. of Aging & Community Services	County Gov't	San Joaquin
12	Area 12 Agency on Aging	Nonprofit JPA	Alpine, Amador, Calaveras, Mariposa, Tuolumne
13	Seniors Council of Santa Cruz & San Benito	Nonprofit	San Benito, Santa Cruz
14	Fresno-Madera AAA	Nonprofit JPA	Fresno, Madera
15	Kings/Tulare AAA	Gov't JPA	Kings, Tulare
16	Eastern Sierra AAA	Gov't JPA	Inyo, Mono
17	Central Coast Commission for Sr. Citizens	Nonprofit	Santa Barbara, San Luis Obispo
18	Ventura County AAA	County Gov't	Ventura
19	LA County Aging & Disabilities Dept.	County Gov't	Los Angeles
20	San Bernardino	County Gov't	Dept. of Aging & Adult Services
21	Riverside Office on Aging	County Gov't	Riverside
22	Orange Office on Aging	County Gov't	Orange
23	Dept. of Aging & Independence	County Gov't	San Diego
24	Imperial County AAA	County Gov't	Imperial
25	City of LA Dept. of Aging	City Gov't	Los Angeles
26	AAA of Lake & Mendocino	Gov't JPA	Lake, Mendocino
27	Sonoma County AAA	County Gov't	Sonoma
28	Napa/Solano AAA	Gov't JPA	Napa, Solano
29	El Dorado AAA	County Gov't	El Dorado
30	Stanislaus Dept. of Aging & Veterans Services	County Gov't	Stanislaus
31	Merced County AAA	County Gov't	Merced
32	AAA Division, Monterey Dept. of Social Services	County Gov't	Monterey
33	Kern Aging & Adult Services	County Gov't	Kern

A nonprofit joint powers authority / agency (**Nonprofit JPA**) is a stand-alone organization formed by multiple governmental entities for a specific purpose or project. A government joint powers agreement (**Gov't JPA**) is an arrangement between government entities for a specific purpose of project that is run by a government entity (this includes similar agreements such as a joint exercise of powers between counties).

Panel**Questions and Requests for the Panel:**

- ◇ Please summarize the priority and concrete goals of the CA2030 initiative and the department's next steps for modernizing the local aging services network.
- ◇ How will this effort be resourced?
- ◇ How will CDA measure progress at a high level?
- ◇ How does the CA2030 initiative relate to the MPA?
- ◇ Will there be proposals related to the CA2030 in a future Governor's May Revision or January Budget proposal?
- ◇ Are statutory changes to AAAs being contemplated for trailer bill?
 - Susan DeMarois, Director, California Department of Aging
 - Tyler Ulrey, Finance Budget Analyst, Department of Finance
 - Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

Staff Comments

It is unclear which (or some, or all) of the recommendations in the CA2030 will be undertaken by CDA and the AAAs and on what timeline. The Subcommittee may wish to ask for a prioritization of the efforts recommended for changes in the AAAs by a date certain and a better understanding of how CDA will resource these changes and measure outcomes and progress.

Staff Recommendation: Hold open.

Issue 5: Budget Change Proposals for California Department of Aging

This issue reviews three Budget Change Proposals (BCPs) from the Governor's Budget for the California Department of Aging on the following topics:

- CalFresh Healthy Living Program
- Health Insurance Counseling and Advocacy Program Funding
- Office of the Long-Term Care Patient Representative

Each of these is described in more detail below.

CalFresh Healthy Living Program BCP. CDA proposes an increase of \$2 million in reimbursement authority to support one position and increased local assistance funding in 2024-25 and ongoing to provide increased monitoring services, program site capacity, increased client counts, and enhanced curricula for the CalFresh Healthy Living (CFHL) activities for low-income adults aged 60 and older. This reimbursement authority increase is supported by federal funds and has no General Fund impact.

CDA administers CFHL Supplemental Nutrition Assistance Program Education Program (SNAP-ED) activities through 20 Area Agencies on Aging (AAAs) within 37 counties. CFHL is federally funded and focuses on promoting healthy food choices and active living among older adults. The educational programming provided through CFHL is defined by the United States Federal Nutrition Services (FNS). CFHL SNAP-ED interventions must meet the general low-income standard more than 50 percent of the audience must have household incomes of less than 185 percent of the Federal Poverty Guidelines. CDA's CFHL program is unique in its focus on addressing nutrition education among low-income older adults.

In 2022, CDA received a permanent increase of CFHL reimbursement funding from CDSS, which allowed CDA to increase the CFHL program to four additional AAAs, bringing the current total number of participating AAAs statewide to 20 AAAs within 37 counties. CDA received an additional permanent increase for CFHL funding in 2023, increasing the local funding from \$4.3 million to \$6 million, which will enhance services within the 37 counties that currently provide CFHL services. Specifically, the funding increase will enable CFHL staff to reach segments of the traditionally underserved older adult population, including people with disabilities, individuals who are housing insecure, grandparents, and those living in rural or outlying areas.

Staffing and Resource Request. CDA requests one federally funded Health Program Specialist I to expand and enhance efforts to advance food and nutrition security in 37 counties to ensure consistent, inclusive, and equitable access to healthy, safe, and affordable foods. This position will be responsible for the following:

- Conduct program monitoring to establish compliance with federal and state requirements and determine the adequacy and quality of services provided by each AAA.
- Maintain responsibility for preparing reports and recommendations and tracking corrective actions to ensure timely remediation of deficiencies.

- Refine and enhance monitoring protocols to ensure compliance with current statutes and update monitoring tools, written protocols, and other contract requirements.
- Review and analyze information gathered from monitoring activities to provide input on a “risk-based” approach to monitoring.
- Research, develop, and conduct training related to program requirements for CDA and AAA staff and other internal and/or external stakeholders.
- Provide guidance for formative research activities that inform and create content for policy memorandum, technical assistance, partnership goals, material development and evaluation activities for CDA and external partners.

According to CDA, FNS is also asking for increased data collection, training, and technical assistance for the FNS Priority Populations, such as Veterans and Tribal Organizations. The requested position dedicated to monitoring this will allow existing staff to focus on providing more in-depth trainings and intense program technical assistance to AAAs to increase client participation and outcomes in the programs.

CDA provided the following table showing which of the AAAs are participating in CFHL and which are not. CDA explains that 13 of 33 AAAs are not currently participating in the program due to their inability to meet the demanding administrative duties the program requires. CDA will survey the 13 AAAs not currently offering CFHL programming to gauge current interest, communicating our increased funding and expansion of resources to increase participation in the next contract cycle.

PSA Number & Counties	Participating in CFHL	Not Participating in CFHL
PSA 1: Del Norte/Humboldt	X	
PSA 2: Siskiyou, Modoc, Shasta, Trinity, Lassen	X	
PSA 3: Tehama, Plumas, Butte, Glenn, Colusa	X	
PSA 4: Sacramento, Placer, Nevada, Sutter, Sierra, Yolo, Yuba	X	
PSA 5: Marin		X
PSA 6: San Francisco	X	
PSA 7: Contra Costa	X	
PSA 8: San Mateo		X
PSA 9: Alameda	X	
PSA 10: Santa Clara	X	
PSA 11: San Joaquin		X
PSA 12: Alpine, Amador, Calaveras, Mariposa, Tuolumne		X
PSA 13: Santa Cruz, San Benito		X
PSA 14: Fresno, Madera	X	
PSA 15: Kings, Tulare		X
PSA 16: Inyo, Mono		X
PSA 17: San Luis Obispo, Santa Barbara		X
PSA 18: Ventura	X	
PSA 19: LA County	X	
PSA 20: San Bernardino		X
PSA 21: Riverside	X	
PSA 22: Orange county	X	
PSA 23: San Diego	X	
PSA 24: Imperial		X
PSA 25: LA City	X	
PSA 26: Lake, Mendocino		X
PSA 27: Sonoma	X	
PSA 28: Napa, Solano	X	
PSA 29: El Dorado		X
PSA 30: Stanislaus	X	
PSA 31: Merced	X	
PSA 32: Monterey		X
PSA 33: Kern	X	

Health Insurance Counseling and Advocacy Program Funding BCP. CDA requests a one-time authority increase of \$2 million from the Health Insurance Counseling and Advocacy Program (HICAP) Special Fund to continue to support increased state and local administration efforts initiated in 2021 to serve more Medicare beneficiaries and improve service quality and access. This proposal has no impact on the General Fund.

HICAP is California’s federal State Health Insurance Assistance Program (SHIP). HICAP offers consumer-oriented Medicare counseling and education services including: (1) Community education regarding Medicare Parts A and B, Medicare Part D Prescription Drug Plans, Medicare Advantage (MA) Plans, Medicare Supplement Insurance and long-term care insurance; (2) Individual health insurance counseling that provides objective and accurate comparisons of choices; (3) Informal advocacy services regarding enrollment, disenrollment,

claims, appeals, prescription drug exceptions and other urgent Part D Plan coverage issues; and (4) Legal referral and, in some geographic areas, legal assistance for filing grievances and appeals. Eligibility for HICAP services is limited to Medicare beneficiaries and persons imminent of Medicare eligibility.

There are currently 26 local HICAP programs in California that provide Medicare counseling and education services. In 2022, HICAP provided Medicare counseling to about 50,744 clients through a network of approximately 618 volunteers. Local HICAP programs largely rely on volunteers, but experienced a sharp decline in volunteers during COVID-19. In 2021, CDA received limited-term funding to implement efforts to modernize the HICAP program, including funding to increase local staffing to one full-time volunteer coordinator per program, and state operations resources to improve HICAP data management, fiscal oversight, and training and technical assistance. The limited-term positions approved in the 2021 Budget Act were extended by one year in the 2023 Budget Act. During this time, CDA conducted an analysis evaluating the current HICAP infrastructure and design, and a vision for a more equitable and accessible HICAP program.

Staffing and Resource Request. This proposal would further extend those positions and local assistance for one year while CDA develops a strategic roadmap for HICAP modernization. This \$2 million request includes \$1.5 million in local assistance to continue the limited-term funding for each of the 26 local HICAP programs to have one full-time volunteer coordinator. In addition, the remaining \$480,000 will fund the following state operations resources:

- *One Research Data Specialist II:* Oversees, reviews, updates, and provides recommendations for HICAP data collection and reporting. To modernize the local HICAP programs, CDA intends to reassess information that is currently captured and make informed funding decisions based on that information for each local HICAP program. This position will continue to assist the local HICAP programs in reviewing the data to ensure that the HICAP program is reaching its target population and achieving statewide equity goals.
- *Two Associate Governmental Program Analysts (AGPAs):* Reviews, monitors, and supports local HICAP programs in strategically expending state and federal funds to enhance, develop, and expand the program. Responsible for review of the monthly expenditures, closeouts, and annual budgets to ensure that HICAPs were adequately investing in modernizing and expanding services. Engages and meet with local HICAP programs to discuss best practices and assess expansion efforts. Serves as a project lead for the development of new training resources and updating of existing training resources, coordinates in-person and virtual meetings and training events and provides technical assistance to AAAs and HICAP service providers.

These resources are funded solely by the HICAP Special Fund.

HICAP Special Fund. The HICAP Special Fund receives all of its revenue through a \$1.40 fee per person enrolled in a Medicare health care service plan, pursuant to Welfare and Institutions Code 9541.5. The use of this fee revenue deposited into the HICAP Special Fund is limited to

the administration of the HICAP program. During the COVID-19 pandemic, the HICAP Special Fund provided a \$5 million General Fund loan which was paid back the following year. The current balance of the HICAP Special Fund is \$16.6 million, according to the Department of Finance’s Fund Condition Statement. Expenditures from the HICAP Special Fund totaled approximately \$4.5 million in 2022 and 2023 and are projected at approximately \$4.6 million in 2024-25.

CDA provided the following display to show the condition of the HICAP Fund and the expectation for its projected balances across the multi-year budget future.

State HICAP Fund	2021-22 (PY-1)	2022-23 (PY)	2023-24 (CY)	2024-25 (BY)	2025-26 (BY1)	2026-27 (BY2)	2027-28 (BY3)
Beginning Balance (Includes PY Adjustments)	\$8,343	\$14,191	\$17,389	\$17,072	\$16,640	\$17,390	\$17,390
Revenues, Transfers & Other Adjustments	\$9,939	\$7,658	\$4,248	\$4,248	\$4,248	\$4,248	\$4,248
Total Resources	\$18,282	\$21,849	\$21,637	\$21,320	\$20,888	\$21,638	\$21,638
Actual & Projected Expenditures							
State Operations	\$384	\$840	\$933	\$909	\$909	\$909	\$909
Local Assistance	\$3,632	\$3,620	\$3,632	\$3,771	\$3,771	\$3,771	\$3,771
TOTAL Expenditures	\$4,016	\$4,460	\$4,565	\$4,680	\$4,680	\$4,680	\$4,680
Fund Balance	\$14,266	\$17,389	\$17,072	\$16,640	\$16,208	\$16,958	\$16,958

** For 2024-25 through 2027-28, assumes the Revenues and expenditures remain the same. State Operations Actual and Projected Expenditures include ProRata and Supplemental Pension Payments*

Office of the Long-Term Care Patient Representative BCP. CDA requests a net-zero General Fund shift from Local Assistance to State Operations and authority for eight positions in the Office of the Long-Term Care Patient Representative (OLTCPR).

The OLTCPR was established pursuant to Health and Safety Code Section 1418.8, which sets forth procedures to be followed for Skilled Nursing Facility (SNF) and Intermediate Care Facility (ICF) residents who lack capacity to make their own health care decisions and who do not have a legally authorized decision maker, as an alternative to petitioning a court to appoint a public guardian, conservator, health care decision maker, or authorize a health care decision pursuant to the Probate Code. The statute authorizes an interdisciplinary team consisting of the resident’s physician, a registered nurse responsible for the resident, other appropriate staff, and a patient representative to review and authorize medical treatment.

The 2022 Budget Act created the OLTCP, which provides trained representatives for specified long-term care residents who may need medical treatment but lack the capacity to make health care decisions and have no legal surrogate authorized to make decisions on their behalf. The OLTCP began providing public patient representative services throughout the state on January 27, 2023, using two contracted providers and six Health Program Specialist I (HPS I) staff.

Prior to program implementation, CDA issued a statewide request for application (RFA) to local nonprofits and government entities to provide patient representative services. Prior to the release of the RFA, CDA conducted extensive outreach to local Public Guardian Offices, Disability Rights California, and other stakeholders. Despite this outreach, CDA received only two responsive bidders, LA County and a non-profit provider based in Orange County, Sistah Friends. In order to implement the program by the court-ordered date of January 27, 2023, CDA hired state staff to serve as local patient representatives. According to CDA, the eight newly hired state patient representatives have been very successful in delivering services to clients.

This proposal is a net-zero General Fund shift of \$1.4 million to convert the limited-term state staff who are currently serving as patient representatives into permanent positions. This means shifting the General Fund currently included in the local assistance portion of this funding to state operations. This shift recognizes that the services are being provided directly by state staff instead of being contracted out to other providers, and allows these state staff to continue conducting their work.

Panel

Request for the Panel:

- ◇ Please provide an overview of the three BCPs included under this item.
 - Nicole Shimosaka, Deputy Director, California Department of Aging
 - Tyler Ulrey, Finance Budget Analyst, Department of Finance
 - Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

Staff Comments

Subcommittee staff notes that these proposals have no impact on the General Fund. Subcommittee staff additionally notes that there is a growing reserve in the HICAP Special Fund that has carried over the last several years. The Subcommittee could choose to adopt Budget Bill Language (BBL) for any or all of these efforts requesting updates on implementation, use of funds, and outcomes/progress to improve services for impacted people.

Staff Recommendation: Hold open.

5180 Department of Social Services

Issue 6: Supplemental Security Income/State Supplementary Payment (SSI/SSP) Budget and Program Update

The following background was provided by the Legislative Analyst's Office (LAO).

For 2024-25, the Governor's budget proposes \$3.7 billion from the General Fund for the state's share of SSI/SSP, which is an increase of \$121 million (3 percent) over estimated 2023-24 expenditures. This increase would bring total program funding to \$11.5 billion (\$3.7 billion from the General Fund and \$7.8 billion federal funds) in 2024-25. The primary driver of this increase is the full-year cost impact of the 9.2 percent SSP grant increase that took effect on January 1, 2024. The administration does not include any new SSP related proposals as part of the Governors 2024-25 budget.

Background. The SSI/SSP program provides cash grants to low-income aged, blind, and disabled individuals. Grant levels for SSI/SSP are determined by both the federal government and the state. Specifically, the federal government pays for the SSI portion of the grant while the state pays the SSP portion of the grant.

The federal government is required to provide an annual COLA each January to the SSI portion of the grant. The federal COLA is based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). In years that the CPI-W is negative (as was the case in 2010, 2011, and 2016), the federal government does not decrease SSI grants, but instead holds them flat.

The state has full discretion over whether and how to provide increases to the SSP portion of the grant. Until 2011, the state had a statutory annual COLA. These COLAs generally reflected whole-grant COLAs. Whole-grant COLAs worked by applying the California Necessity Index (CNI) to the total SSI/SSP grant. If the federal SSI COLA was not enough to increase total SSI/SSP grants to CNI-adjusted levels, then the SSP portion of the grant was increased by the remaining amount. (Despite the state statutory COLA, there were many years prior to 2011 when the COLA was not provided due to budget constraints.) After the Great Recession, SSP grants occasionally were increased by applying the CNI only to the SSP portion of the grant (in 2016-17 and 2021-22). Additionally, while not COLAs, SSP grant increases were provided in 2021-22, 2022-23, and 2023-24.

During Great Recession, SSP Grants for Individuals and Couples Were Reduced to Federally Required Minimum. The state is required to maintain SSP monthly grant levels at or above the nominal levels in place in March 1983 (\$156.40 for SSP individual grants and \$396.20 for SSP couple grants) in order to receive federal Medicaid funding. As shown in the next figure, during the Great Recession, the state incrementally decreased SSP grants for individuals and couples until they reached these minimum levels in June 2011 and November 2009, respectively.

Maximum SSP Grant for Individuals and Couples^a

2001-02 to 2024-25



^a The maximum SSP grant levels for aged and disabled individuals and couples living in their own households, effective January 1 of each fiscal year.

^b Assumes grant levels assumed in Governor's 2024-25 budget.

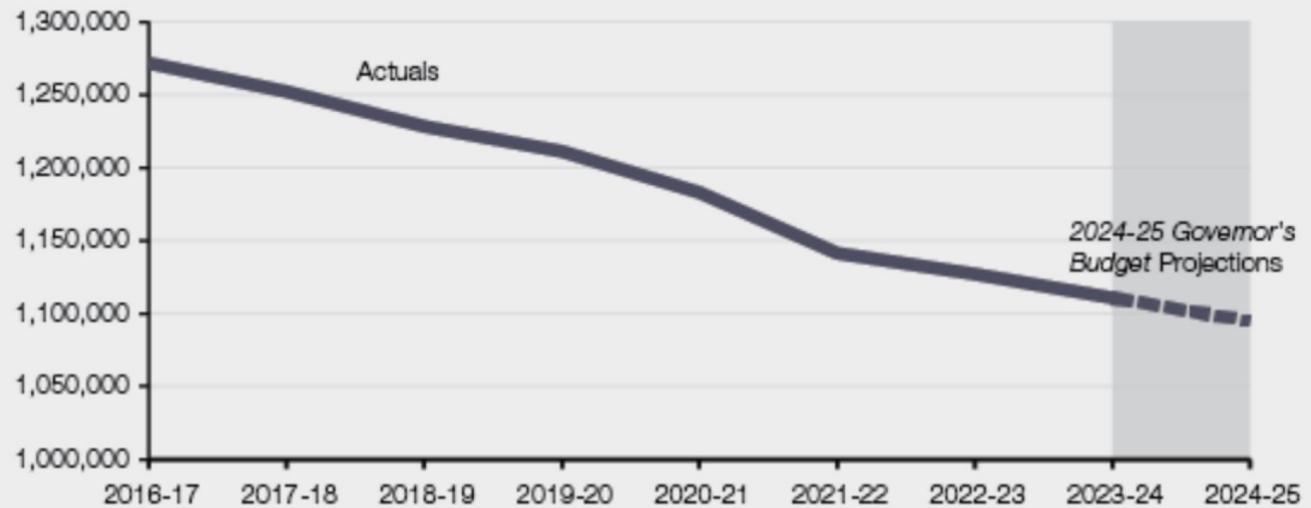
LAOA

SSP Grants Were Increased in 2016-17, 2021-22, 2022-23, and 2023-24. Since the Great Recession, grants for individuals and couples have been increased four times—in 2016-17 (by 2.76 percent), 2021-22 (by 23.95 percent), 2022-23 (by 10.3 percent), and 2023-24 (by 9.2 percent). The 2021-22, 2022-23, and 2023-24 SSP grant increases were based on specific dollar amounts set in statute. Statute required the Department of Finance to estimate what grant increase could be supported by a half-year cost of \$291 million in 2021-22 (estimated to be about \$580 million in 2022-23), a half-year cost of \$150 million in 2022-23 (estimated to be about \$300 million in 2023-24), and a half-year of cost of \$146 million in 2023-24 (estimated to be about \$292 million in 2024-25). Based on these calculations, SSP grants increased by 23.95 percent on January 1, 2022 (increasing grants by \$39 for individuals and \$98 for couples), by 10.3 percent on January 1, 2023 (increasing grants by about \$21 for individuals and \$52 for couples) and by 9.2 percent on January 1, 2024 (increasing grants by about \$20 for individuals and \$51 for couples).

Governor’s January Budget Assumes SSI/SSP Caseload Continues to Decline. The SSI/SSP caseload grew at a rate of less than 1 percent each year between 2011-12 and 2014-15. Beginning in 2015-16, however, SSI/SSP caseload began to decline slowly at an average rate of 1.7 percent each year. As shown in the next figure, the Governor’s budget projects that caseload will decrease by 1.4 percent in 2023-24 and 1.5 percent in 2024-25, which is in line with past caseload trends. The Department of Social Services recently stated that the primary drivers of this steady caseload decline are (1) overall program attrition from the disabled population and (2) slower caseload growth due to fewer individuals meeting income and asset eligibility thresholds. To further understand these potential drivers, the LAO has asked DSS for data regarding the average number of applicants, average applicant processing time, most common reasons for applicant denials, and other factors.

Actual and Projected SSI/SSP Caseload Trends in Governor's Budget

Average Annual Caseload



LAOA

Governor’s January Budget Includes Federal SSI COLA Estimates and Holds 2024-25 SSP Grants Unchanged. The next figure shows how 2022-23 maximum SSI/SSP grant levels compare to 2023-24 maximum SSI/SSP grant levels and the administration’s estimates of the 2024-25 SSI grant increase. The projected increases to maximum SSI/SSP grant levels in 2024-25 are due to the estimated federal SSI COLA.

SSI/SSP Monthly Maximum Grant Levels^a

	2022-23 (Actual)	2023-24 (Actual)	2024-25 (Projected)
Maximum Grant—Individuals			
SSI	\$914.00	\$943.00	\$966.00
SSP	219.73	239.94	239.94
Totals	\$1,133.73	\$1,182.94	\$1,205.94
Percent of federal poverty level ^b	93.31%	94.26%	92.50%
Maximum Grant—Couples			
SSI	\$1,371.00	\$1,415.00	\$1,449.00
SSP	556.62	607.83	607.83
Totals	\$1,927.62	\$2,022.83	\$2,056.83
Percent of federal poverty level ^b	117.30%	118.76%	116.24%

^aThe maximum monthly grants displayed refer to those for aged and disabled individuals and couples living in their own households, effective as of January 1 of the respective calendar year.

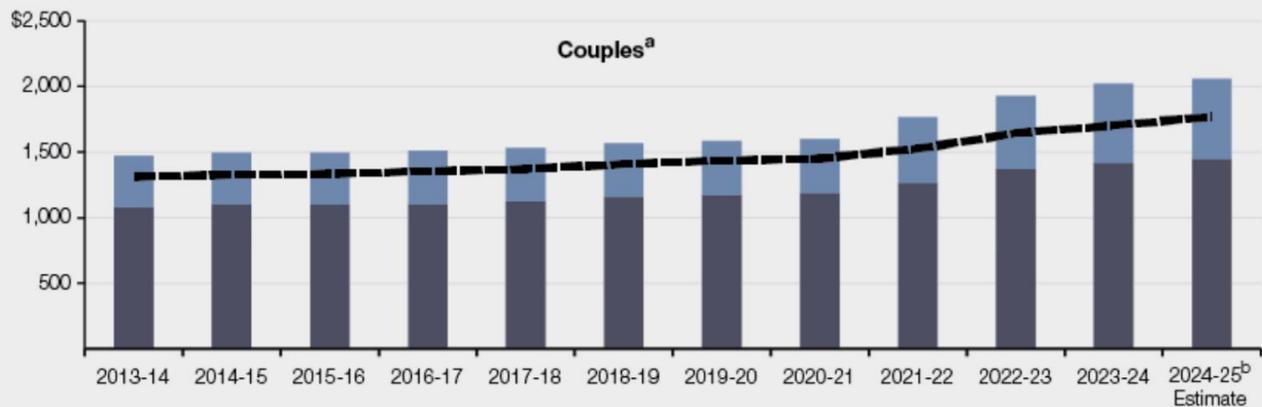
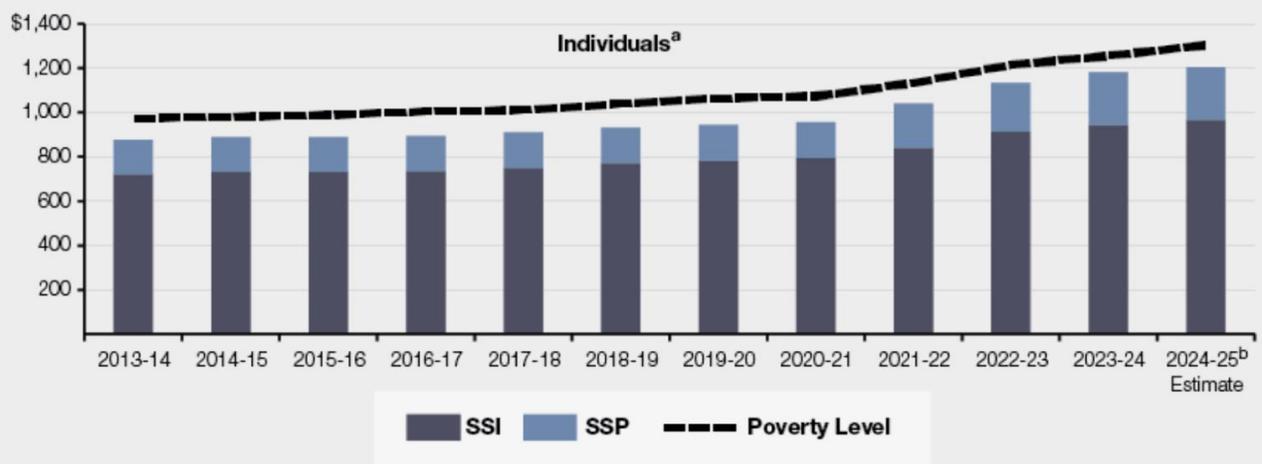
^bCompares grant level to federal poverty guidelines from the U.S. Department of Health and Human Services for 2023 and 2024. Estimates of federal poverty guidelines for 2025 are based on the LAO Consumer Price Index for All Urban Consumers projection. The 2025 federal poverty guidelines will not be finalized until fall 2025.

Increase in 2024-25 Driven by Estimated Federal COLA. The Governor’s budget estimates that the federal COLA for the SSI portion of the grant will be 2.4 percent in 2024-25, increasing maximum SSI grants by \$23 for individuals and \$34 for couples on January 1, 2025 (the actual federal SSI COLA will not be known until fall 2024). The Governor’s budget does not propose any change in the maximum SSP grants for 2025.

Despite Recent SSI and SSP Grant Increases and Upcoming COLA, Grant Levels Remain Below Federal Poverty Level (FPL) for Individuals. As shown in the next figure, the maximum combined SSI/SSP monthly grant amount for individuals (the bulk of the SSI/SSP caseload) and couples had been increasing on average by 1.2 percent annually since January 2014—predominantly due to the provision of federal SSI COLAs. In 2022, maximum SSI/SSP grant levels for individuals and couples experienced a more significant increase (an overall increase of 9 percent and 10 percent, respectively) due to the highest in history one-time SSP grant increase (23.95 percent) and a historically high federal SSI COLA (5.9 percent) taking effect on January 1, 2022. Additionally, in 2023, maximum SSI/SSP grant levels for individuals and couples increased again—by about \$95 and 9 percent overall for individuals and \$162 and 9

percent overall for couples due to a one-time SSP grant increase (10.3 percent) and a higher-than-usual SSI COLA (8.8 percent). In 2024, maximum SSI/SSP grant levels for individuals and couples increased once again—by about \$49 and 4.4 percent overall for individuals and \$95 and 4.9 percent overall for couples due to a one-time SSP grant increase (9.2 percent) and an SSI COLA (3.2 percent). Despite these most recent grant increases, current maximum SSI/SSP grant levels for individuals remain below the FPL, while grant levels for couples remain above the FPL. Moreover, despite the estimated 2.4 percent federal SSI COLA projected for January 1, 2025, maximum SSI/SSP grant levels for individuals are projected to remain below the FPL in 2024-25.

Maximum SSI/SSP Grant for Individuals and Couples^a Compared to Federal Poverty Level^b



^a The maximum SSP grant levels for aged and disabled individuals and couples living in their own households, effective January 1 of each fiscal year.

^b Federal poverty guidelines as established by the U.S. department of Health and Human Services up to 2023-24. Federal poverty guidelines for 2024-25 are estimates based on the Consumer Price Index for All Urban Consumers.



Panel

Questions and Requests for the Panel:

- ◇ What are the grant levels for the Supplemental Security Income/State Supplementary Payment (SSI/SSP) against the federal poverty line and how do grant levels compare with average rental costs in most California counties?
- ◇ Could the state pivot to the optional MOE standard in law regarding SSI/SSP grants, which would prevent a reduction of grant levels below state expenditures in the prior year, to reflect California values? Is the report that was required in last year's budget now available (it was due in February 2024)?
- ◇ The SSI/SSP caseload has been declining slightly. Are there issues with applications and retention of SSI/SSP benefits, or are there other reasons for this dynamic?
- ◇ What is the denial rate for SSI/SSP and the prominent reasons for denial?
 - Claire Ramsey, Chief Deputy Director, California Department of Social Services
 - Rebecca Gonzales, Policy Advocate, Western Center on Law and Poverty, and Representing the Californians for SSI Coalition
 - Idalys Perez, Finance Budget Analyst, Department of Finance
 - Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

Staff Comments

Grant Levels and Senior Poverty/Homelessness. The California Budget and Policy Center states in its report referenced under Issue 1 that cuts during the Great Recession still impact the SSI/SSP program today. During this period, the state repealed the statutory Cost of Living Adjustment (COLA) for the SSP grant (there was also a like statutory COLA for CalWORKs grants that was also repealed during this time). Had the COLA been protected, the SSP grant would be almost double that it is today. The information in Issue 1 also includes a display showing the grant levels against fair market rent in each of the 58 counties, to provide an assessment of what a senior can afford with the current grant. Staff has requested this type of information from DSS for the past few years, so that the state has candid and open information about the levels of grants and housing affordability. The Subcommittee could request that this information be included in the local assistance estimates at January and May to display the SSI/SSP grants vis a vis fair market rent across the 58 counties.

Change to Maintenance of Effort (MOE) Standard for SSP in Law. As part of last year's 2024 Budget, the following statute was adopted in Welfare and Institutions Code (WIC) Section 12106, to allow the Legislature to fairly consider if California should change its MOE standard for SSP in law, which is elective for states. With the change, California could make a values statement that SSP grants will not be reduced to levels from deep history, or to the 1983 levels as the statutory MOE currently allows. The codified language is as follows:

WIC 12106.

(a) On or before February 1, 2024, the State Department of Social Services shall provide to the Joint Legislative Budget Committee and the appropriate fiscal and policy committees of the Legislature a written communication that describes the process that would need to occur in order to switch the method the state uses to meet the federal maintenance of supplementary payment levels requirement for the State Supplementary Program for the Aged, Blind and Disabled from the current supplementary payment level method to the total expenditures method. This shall include, but not be limited to, all of the following:

(1) A feasible timeline for notifying the federal Social Security Administration of the change, or for meeting any other necessary associated federal requirements, including an identification of the optimal month of the year for notification given program operations and any other considerations.

(2) A calculation of the new total expenditure federal maintenance of supplementary payment levels for the State Supplementary Program for the Aged, Blind and Disabled if this change were to be made.

(3) Any other anticipated challenges, barriers, and considerations that should be taken into account in consideration of this methodology change for meeting the federal maintenance of supplementary payment levels requirement for the State Supplementary Program for the Aged, Blind and Disabled.

(b) This section shall become inoperative on July 1, 2025, and shall be repealed on January 1, 2026.

The Administration was due to release this report on or before February 1, 2024. As of this writing, this report is outstanding. The Subcommittee could request release of this report.

Staff Recommendation: Hold open.

Issue 7: In-Home Supportive Services (IHSS) Budget and Program Update

The In-Home Supportive Services (IHSS) program provides personal care services to approximately 660,497 low-income individuals who are blind, over 65, or who have disabilities. Services include feeding, bathing, bowel and bladder care, meal preparation, and clean-up, laundry, and paramedical care. These services help program recipients avoid or delay more expensive and less desirable institutional settings. Eligibility for IHSS is tied to Medi-Cal eligibility.

As of December 2023, approximately 15 percent of IHSS consumers are 85 years of age or older, 40 percent are ages 65-84, 14 percent are ages 18-44, and nine percent are 17 years or younger. Seventy-two percent of IHSS providers are relatives of the recipient; 58 percent of providers are live-in.

County social workers determine IHSS eligibility and perform case management after conducting a standardized in-home assessment of an individual's ability to perform activities of daily living. In general, most social workers annually reassess recipients' need for services. Based on authorized hours and services, IHSS recipients are responsible for hiring, firing, and directing their IHSS provider(s). The average number of service hours provided to IHSS recipients in 2023-24 is estimated to be 122 hours per month.

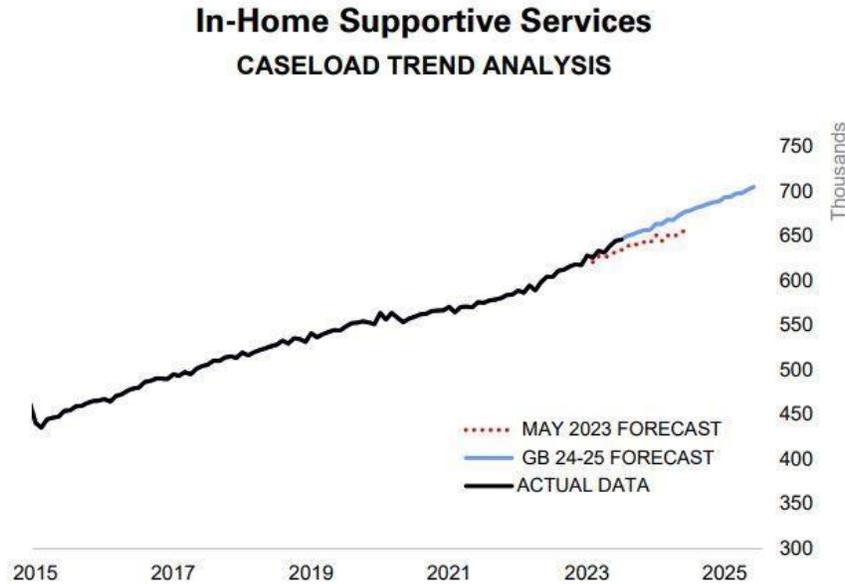
Ninety-nine percent of the IHSS caseload receives federal financial participation, with most cases receiving 50 to 56 percent federal financial participation. The remaining nonfederal share of costs are split between the state and counties based on the IHSS county maintenance-of-effort (MOE).

Governor's Budget. The Governor's revised budget for 2023-24 includes \$22.4 billion (\$8 billion General Fund) for IHSS program and administration costs. This reflects a net increase of \$49.9 million (decrease of \$342.5 million General Fund) from the Budget Act of 2023. The increase is due to a higher caseload, cost per hour, and number of hours per case than previously projected, while the decrease in General Fund reflects a lower projected caseload in the Undocumented 50 and Above Full Scope Expansion.

The Governor's proposed 2024-25 Budget includes \$24.3 billion (\$9 billion General Fund) and reflects an increase of \$1.9 billion (\$664.5 million General Fund) compared to the Budget Act of 2023. The increase is due to the expansion of the full scope Medi-Cal to undocumented adults age 26 through 49, regardless of immigration status, as well as growth in the projected caseload, cost per hour, and number of hours per case for IHSS overall.

For 2023-24, IHSS costs include a half-year impact of \$16.00 minimum wage implementation, while in 2024-25, IHSS costs include a full-year impact of \$16.00 minimum wage implementation and a half-year impact of \$16.50 minimum wage implementation. The Governor's budget assumes that the cost per hour of IHSS services will increase from \$20.02 in 2023-24 to \$20.52 in 2024-25. The majority of the cost per hour is associated with IHSS wages (estimated to be an average of \$17.95 per hour as of January 2024), in addition to provider benefits and administration costs.

The Governor’s 2024-25 Budget projects a total IHSS caseload of 691,075 recipients, representing a 4.6 percent increase from 2023-24. IHSS caseload has steadily increased since 2014, as shown in the chart below:



Source: CDSS

Impact of the Medi-Cal Asset Test Elimination. The Medi-Cal asset limit was fully eliminated January 1, 2024, which results in more seniors and persons with disabilities becoming eligible for Medi-Cal, including IHSS. As noted by the LAO, the Governor’s proposed budget includes about \$26 million General Fund in 2023-24 to provide services to the estimated 1,800 seniors and persons with disabilities who will become eligible for IHSS as a result of this policy change. For 2024-25, the Administration estimates that about 3,900 seniors and persons with disabilities will become eligible for IHSS services with a proposed budget of about \$48 million General Fund.

Impact of Medi-Cal Redeterminations. During the COVID-19 public health emergency, eligibility redetermination requirements for current Medi-Cal enrollees were temporarily suspended. As of April 2023, counties have resumed Medi-Cal eligibility redeterminations and IHSS recipients have begun to be placed into the IHSS Residual Program (the state-funded program that some IHSS recipients are added to if they lost their Medi-Cal eligibility). The Governor’s budget includes approximately \$37 million to account for the estimated increase in residual cases.

The 2023 Budget Act included Supplemental Report Language requiring CDSS to report regarding impacts of Medi-Cal Redeterminations on the IHSS caseload. The chart below shows the number of IHSS recipients that have been terminated for not completing their Medi-Cal Redeterminations for June through December 2023. These recipients presumably move into the state-only funded IHSS Residual program, but lose full scope Medi-Cal. Efforts by DSS and the counties to re-establish their Medi-Cal eligibility if the break with Medi-Cal was due to

something other than no longer qualifying (e.g. inability to return paperwork, incomplete paperwork, or incorrect paperwork, but otherwise still eligible) are uncertain.

June	July	August	Sept	Oct	Nov	Dec
44	213	332	172	358	303	207

IHSS Permanent Backup Provider System. The 2022 Budget included \$34.4 million (\$15.4 million General Fund) ongoing to establish a permanent backup provider system for IHSS recipients to avoid disruptions to caregiving due to an immediate need or emergency. Under the permanent backup provider system, a recipient who has an urgent need or whose health and safety will be at risk without a backup provider can receive up to 80 hours (if recipient is non-severely impaired) or 160 hours (if recipient is severely impaired) of backup provider services per state fiscal year. Additionally, backup providers are paid \$2 above the local IHSS hourly wage rate.

According to the LAO, “utilization of the backup provider system for the first three months of 2023-24 is lower than expected—likely indicating there will be savings in 2023-24. Specifically, between July 2023 and September 2023, less than \$100,000 worth of services have been claimed of the total \$16 million General Fund (\$36.6 million Total Fund) budgeted in 2023-24. Further, since the implementation of the backup provider system (October 2022) up to the most recent month of data (September 2023), less than \$350,000 has been expended on services, averaging less than \$30,000 in expenditures per month...it is likely that for 2023-24 and 2024-25 combined, there could be savings of over \$25 million General Fund.”

IHSS Paid Sick Leave (PSL) Utilization. PSL became available on July 1, 2018 for IHSS providers who worked a certain number of hours within a calendar year. In 2018-19, the maximum amount of PSL an IHSS provider could accrue was eight hours per year. This increased to 16 hours in 2020-21, 24 hours in 2022-23, and is set to increase to 40 hours on July 1, 2024. The Governor’s Budget includes around \$70 million for PSL in 2023-24 and around \$76.5 million for PSL in 2024-25. According to the LAO, there could be potential savings in 2023-24 and 2024-25 from this program due to lower PSL hours being claimed.

Investments in the 2023 Budget Act. The 2023 Budget Act made a number of changes and investments in IHSS, including the following:

- **Evaluation of Statewide/Regional Collective Bargaining:** \$1.5 million General Fund one-time, for CDSS to analyze the costs and benefits of approaches that transition collective bargaining with IHSS providers from the current model to a statewide and/or regional model. This analysis is due January 1, 2025. CDSS has entered into contracts for research and facilitation of a workgroup, which held its first meeting in February 2024.
- **Streamlining Eligibility for Minor Recipients.** The 2023 Budget Act included trailer bill language that streamlines the process for children with disabilities to select their parent as their IHSS provider, similar to all other IHSS recipients. The Governor’s budget proposes approximately \$33 million in 2023-24 and 2024-25 for this change. The LAO

notes there could be roughly six months of General Fund savings in 2023-24 due to the timing of this change being implemented.

- **Collective Bargaining County Penalty.** The 2023 Budget Act included trailer bill language which, beginning October 1, 2023, increases the amount of the 1991 Realignment funding withholding from 7 percent to 10 percent of the county's prior fiscal year IHSS Maintenance of Effort (MOE) requirement and requires the withholding continue once each fiscal year until the county enters into a collective bargaining agreement.

Panel

Questions and Requests for the Panel:

- ◇ Please provide a brief overview of the IHSS program and the budget and caseload for 2024-25.
- ◇ Please provide an update on the following initiatives approved in the 2023 Budget Act: streamlined eligibility for minor recipients, development of a stakeholder process to explore regional or statewide collective bargaining for IHSS providers (and if the report will be developed iteratively with the workgroup members), and the implementation of electronic visit verification for some IHSS providers.
- ◇ Please provide an update on the IHSS Back-Up Provider System approved in the 2022 Budget Act.
- ◇ Please describe any impacts of the resumption of Medi-Cal redeterminations on the IHSS population and adverse consequences for any recipients who may have experienced a break with Medi-Cal due to the redetermination process. What is being done to assist with these IHSS recipients to relink them to full scope Medi-Cal?
 - Claire Ramsey, Chief Deputy Director, California Department of Social Services
 - Eileen Cubanski, Interim Executive Director, County Welfare Directors Association of California
 - Kim Levy Rothschild, Executive Director, California Association of Public Authorities for IHSS
 - Idalys Perez, Finance Budget Analyst, Department of Finance
 - Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

LAO Comments

IHSS Service Utilization. According the LAO, the IHSS caseload demonstrates a continued trend of fewer authorized cases claiming service hours in any given month since the start of COVID-19, as shown in the LAO figure below. The average share of authorized cases paid every month slightly decreased from 91 percent to 88 percent from January 2019 through

December 2023. This translates to roughly 22,000 fewer paid cases every month relative to pre-COVID-19 levels.

Figure 1

Share of Authorized In-Home Supportive Services Cases That Were Paid

Monthly Data, 2019-2023

Before COVID-19 Period

(January 2019 to February 2020)

91%

Average Share of Paid Cases Before COVID-19

COVID-19 Period

(March 2020 to December 2023)

88%

Average Share of Paid Cases After COVID-19



LAO

The LAO also notes that the elimination of the Medi-Cal asset limit will increase the number of seniors and people with disabilities eligible for IHSS. The 2024-25 budget estimates the cost of this expanded caseload at approximately \$48 million General Fund. The LAO asks how was this estimate derived? Also, how will the Administration project caseloads and expenditures associated with the removal of the Medi-Cal asset limit moving forward?

Staff Comments

The Subcommittee may request that the department continue to keep the Legislature apprised of major areas of oversight and awareness regarding the IHSS program, including costs of the Medi-Cal expansions, needs within IHSS county administration, condition of public authorities to meet their responsibilities, and the impact of Medi-Cal redeterminations for the IHSS population.

Staff Recommendation: Hold open.

Issue 8: In-Home Supportive Services (IHSS) Career Pathways Program Budget and Implementation Review

HCBS Spending Plan. As a part of the 2021 Budget Act, the state was required to submit a package of home- and community-based services (HCBS) enhancements—known as the HCBS Spending Plan—to the federal government as a condition of drawing down additional federal funds resulting from a temporary 10 percentage point increase to the federal Medicaid match rate. California’s plan included approximately \$3 billion in HCBS enhancements (which would be matched by an additional \$1.6 billion in standard Medicaid funds, totaling \$4.6 billion). The Department of Health Care Services (DHCS) is the lead state agency on the plan, which spans 26 initiatives across six departments under the California Health and Human Services Agency. The 2023 Budget Act extended the HCBS Spending Plan period to December 31, 2024 to maximize an extension made available by the federal government.

IHSS Career Pathways Program. The HCBS Spending Plan includes \$295 million for the IHSS Career Pathways Program. The IHSS Career Pathways program is a new training program to increase the quality of care, recruitment, and retention of providers. Providers participating in the IHSS Career Pathways program are paid for the time that they participate in the trainings and are eligible for incentive payments if certain trainings are completed. In order to be eligible for certain incentive payments, IHSS providers must continue to work for IHSS recipients for a certain amount of time after the completion of the training. To be eligible for the largest incentive payment (\$2,000), a provider must continue to work for a particular recipient for a minimum of 40 hours a month for six months after completing training.

Program Spending. Pursuant to the latest update from the Department of Finance, \$41 million of the \$295 million allocated to the IHSS Career Pathways Program has been spent. The following table shows a breakdown of the Career Pathway Program’s expenditures by category as of September 30, 2023.

Category	Amount (As of 09/30/23)
Direct to Providers: Training Incentives	\$5,006,500
Direct to Providers: Training Time	\$13,291,979
Training: Vendors	\$13,162,251
Training: County/PA	\$257,134
Admin: Vendors	\$3,791,436
Admin: Automation	\$1,217,430
Admin: Taxes	\$761,152
Admin: State Operations	\$3,595,492
Total	\$41,083,374

Class Availability. CDSS has worked to double the number of classes offered and add an additional 20 courses offered by county public authorities. Since January 31, 2024, 11,938 class sessions have been offered. More detail per vendor is included below.

Counties: Marin, Nevada, Plumas, Riverside, Sacramento, San Bernadino, Santa Clara, San Diego, and Ventura

- Offered a total of 1,544 class sessions: 1,057 online, 324 self-paced, and 163 in-person.
- Courses offered in Spanish and English.
- Pathways: Cognitive Impairments and Behavioral Health, General Health and Safety, Complex Physical Needs.

Home Bridge

- Offered a total of 7,892 class sessions: 6,859 online, 635 self-paced, and 398 in-person.
- Courses offered in English, Spanish, Cantonese, Mandarin, and Armenian.
- Pathways: Adult Education, General Health and Safety, Transitioning to Home and Community Based Living, Cognitive Impairments and Behavioral Health, Complex Physical Needs.

Center for Caregiver Advancement (CCA)

- Offered total of 2,527 class sessions: 2,195 online and 179 in-person.
- Courses offered in Armenian, Cantonese, English, Korean, Mandarin, Russian, Spanish and Vietnamese.
- Pathways: Cognitive Impairments and Behavioral Health, General Health and Safety.

In February 2024, 155 class sessions were added to the course catalog. Homebridge added 24 in-person class sessions. Nevada, Sacramento, San Diego, San Bernadino, and Riverside added 131 class sessions of which 105 are online, 20 are self-paced and 6 are in-person. The average waitlist for each course is set to 40 providers. Prior to the increase in the number of classes in January 2024, most classes had a waitlist that was 100 percent full.

Training and Incentive Claiming. As of January 31, 2024, 13,340 unduplicated IHSS providers have completed at least one training course. CDSS received 83,306 claims for hours spent in training in 2022. 23. In 2023-24, CDSS has received 280,485 claims for hours spent in training as of January 31, 2024. As of January 31, 2024, the following incentives have been issued:

- 15 Hour Training Incentive: 14,663
- One-Month Incentive: 1,177
- Six-Month Incentive: 292

Panel

Questions and Requests for the Panel:

- ◇ Please provide an update on the IHSS Career Pathways Program. How has the extension of the HCBS Spending Plan approved as part of the 2023 Budget Act affected the IHSS Career Pathways Program?

- ◇ The latest available spending data shows that only \$41 million of the \$295 million in federal HCBS funding for this program has been spent. What is the Administration's plan to ensure this funding is fully spent by the December 2024 deadline?
- ◇ Stakeholders are anticipating that only \$120 million will be used by August 2024, and they are being told that they must stop offering classes then so that DSS can process claims. Could the timeline shift to allow for classes to be offered through the end of December 2024, with the state processing the claims in early 2025?
 - Claire Ramsey, Chief Deputy Director, California Department of Social Services
 - Tiffany Whiten, Senior Government Relations Advocate, California State Council of Service Employees International Union (SEIU)
 - Idalys Perez, Finance Budget Analyst, Department of Finance
 - Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

Staff Comments

Subcommittee staff notes that CDSS has a limited period of time to spend down the remaining approximately \$254 million for the IHSS Career Pathways Program by December 31, 2024. The Joint Legislative Budget Committee has requested information from DOF regarding the plans departments have in place to ensure all remaining funds are spent by the deadline, and timelines for remaining activities and expenditures.

The Subcommittee could consider requesting detailed information from CDSS by a date certain, prior to the May Revision, about how it intends to spend HCBS funds for the IHSS Career Pathway timely in the absence of an extension.

Staff Recommendation: Hold open.

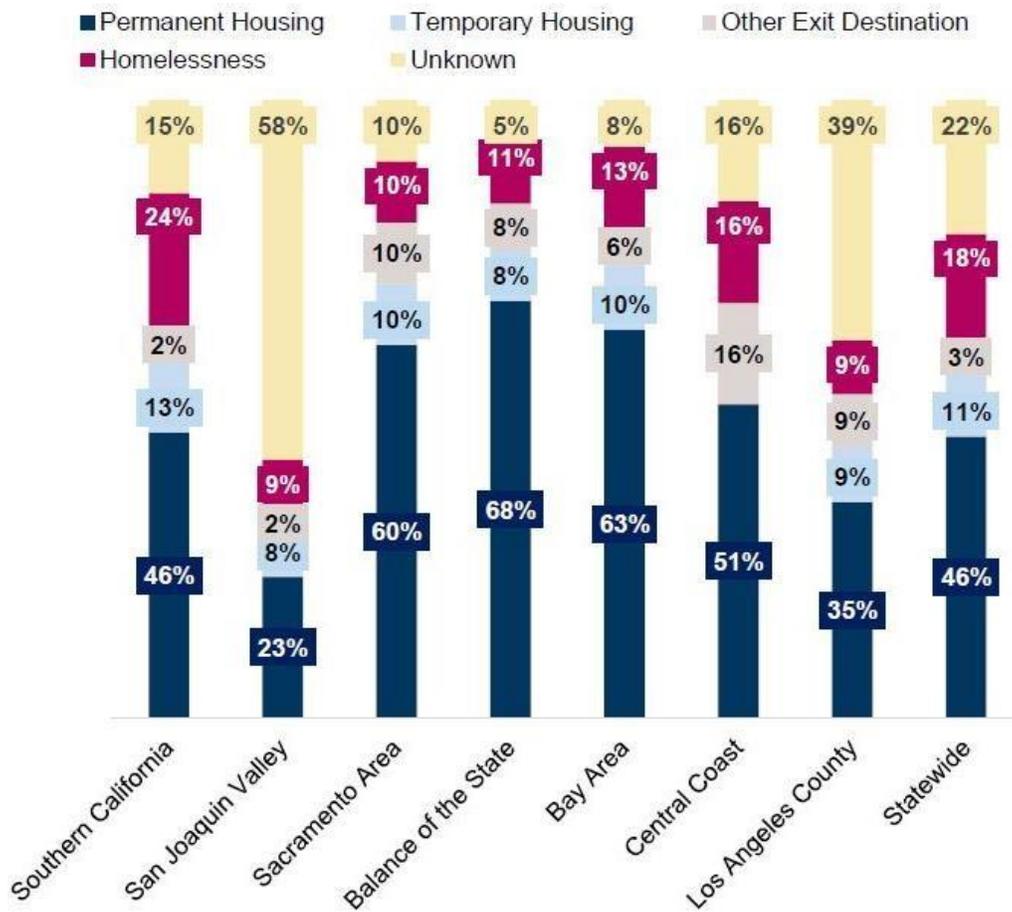
Issue 9: Governor's Proposal to Delay Housing Disability Advocacy Program (HDAP) and Home Safe Program Funding, with Associated Trailer Bill Language Proposals

The Governor's budget proposes the following delays to the Home Safe and Housing and Disability Advocacy (HDAP) Program:

- Home Safe: Delay of \$65 million General Fund to 2025-26.
- HDAP: Delay of \$50 million General Fund to 2025-26.

Home Safe Program. Established in 2018 by AB 1811 (Committee on Budget), Chapter 35, Statutes of 2018, the Home Safe Program supports the safety and housing stability of individuals involved in Adult Protective Services (APS). Home Safe assists APS clients who are experiencing or are at imminent risk of homelessness due to elder or dependent adult abuse, neglect, self-neglect, or financial exploitation.

Grantees operating local Home Safe programs utilize a range of strategies to prevent homelessness and support housing stability for eligible participants. Home Safe provides financial assistance and housing related wrap-around supportive services, including, but not limited to: housing-related intensive case management, housing related financial assistance, deep cleaning to maintain safe housing, eviction prevention, landlord mediation, facilitating mobility-related modifications to homes, connections with local service providers including the homeless Continuum of Care, and client-centered services on a voluntary basis. Home Safe is a state-funded, optional, non-entitlement program that is locally administered by participating counties and eligible tribal entities. Home Safe expanded since the initial pilot in 2018-19 when only 25 counties participated, to all 58 counties in 2021-22. 4,098 individuals were approved for Home Safe services in 2022-23. In 2022-23, 46 percent of participants exited into permanent housing, although significant variation occurred across regions, as demonstrated in the next chart.



Source: CDSS

Housing and Disability Advocacy Program (HDAP). HDAP assists people who are at risk of or experiencing homelessness and are likely eligible for disability benefits by providing advocacy for disability benefits as well as housing supports. HDAP provides outreach, case management, benefits advocacy, and housing support to individuals who are likely eligible for disability benefits and who are experiencing or at risk of homelessness. Housing-related financial assistance and wraparound supportive services may include, but are not limited to, interim housing, rental assistance, housing navigation, security deposits, utility payments, moving costs, legal services, and credit repair. People experiencing chronic homelessness and those who rely most heavily on state and county-funded services are prioritized.

HDAP follows a Housing First model and uses evidence-based housing interventions. The program provides services and assistance with a client-centered approach on a voluntary basis. The program centers on client choice; acceptance of a housing placement is not a requirement for participating in services.

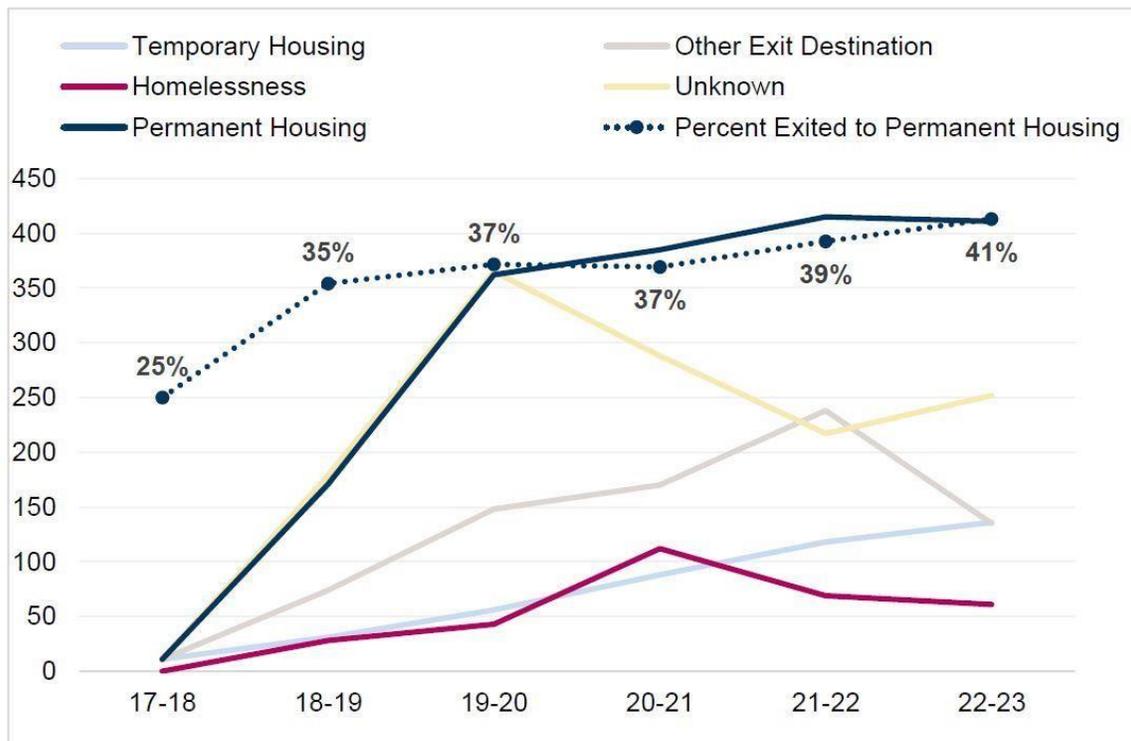
HDAP is an optional, non-entitlement state-funded program that is locally administered by participating counties and eligible tribal entities. Starting with 39 participating counties, the

number of HDAP grantees increased to 57 counties in 2021-22 and two tribal entities. In 2022-23, 15 additional tribal entities requested and accepted funding to administer HDAP.

The 2021 Budget Act (Chapters 21, 69 and 240, Statutes of 2021) appropriated \$175 million for HDAP over multiple years including \$150 million in one-time funds and \$25 million in ongoing, General Fund. Similarly, the 2022 Budget Act (Chapters 43, 45 and 249, Statutes of 2022) appropriated an additional \$175 million for HDAP over multiple years inclusive of \$150 million in one-time funds and \$25 million in ongoing General Fund. Only the \$25 million ongoing appropriation requires a local dollar-for-dollar match.

Approximately 1,877 individuals were approved to participate HDAP in 2022-23. The chart below shows HDAP participant housing outcomes at exit by fiscal year.

Figure 14. HDAP Participant Housing Outcomes at Exit by Fiscal Year



Source: CDSS

Multi-year Spending on Home Safe and HDAP. The following charts on the next page shows appropriations and spending across the multiple, multi-year appropriations for Home Safe first:

Table 5. Home Safe Program Appropriations and Expenditures, Fiscal Year 2018-19 through 2022-23

FY	Appropriation Type ³²	Appropriation Amount ³³	Amount Newly Allocated ³⁴	Actual Amount Expended ³⁵ (not FY Specific)	Amount Remaining as of June 30, 2023 ³⁶	Expenditure Deadline
22-23	One-Time Available for Three Years	\$92,500,000	\$82,875,000	\$38,561,626	\$127,188,374 ³⁷	June 30, 2025
21-22	One-Time Available for Three Years	\$92,500,000	\$82,875,000			June 30, 2024
18-19	One-Time Match-Required Available for Four Years	\$15,000,000	\$14,500,000	\$13,242,367	\$1,257,633	June 30, 2022

The second chart below shows spending across the multiple, multi-year appropriations for HDAP:

FY	Appropriation Type ²⁵	Appropriation Amount ²⁶	Amount Newly Allocated ²⁷	Actual Amount Expended ²⁸ (not FY Specific)	Amount Remaining as of June 30, 2023 ²⁹	Expenditure Deadline
22-23	Ongoing Match-Required Available for Two Years	\$25,000,000	\$24,341,325	\$220,605	\$24,120,720 ³⁰	June 30, 2024
22-23	One-Time Available for Three Years	\$150,000,000	\$133,750,000	\$90,667,162	\$176,640,838	June 30, 2025
21-22	One-Time Available for Three Years	\$150,000,000	\$133,558,000			June 30, 2024
21-22	Ongoing Match-Required Available for Two Years	\$25,000,000	\$25,000,000	\$629,381	\$24,370,619	June 30, 2023
20-21	Ongoing Match-Required Available for Two Years	\$25,000,000	\$25,000,000	\$23,309,858	\$1,048,557	June 30, 2022
19-20	Ongoing Match-Required Available for Two Years	\$25,000,000	\$24,995,700	\$21,400,946	\$3,594,754	June 30, 2021

Trailer Bill Language: Governor’s Budget - Home Safe Delay. This trailer bill language would make a technical change to HDAP to extend the grantee match exemption and extend the waiver of the local dollar-for-dollar match to align with the extension of the expenditure timeline of the one-time funds appropriated in 2022-23.

Trailer Bill Language: Governor’s Budget - HDAP Delay. This trailer bill language would make a technical change to the Home Safe Program statute to extend the grantee match exemption to align with the extension of the expenditure timeline of the one-time funds appropriated in 2022-23.

Panel

Questions and Requests for the Panel:

- ◇ Please provide a description of the Home Safe Program and the Housing and Disability Advocacy Programs (HDAP). What have been the trends in needs and demands for these housing and homelessness services for these populations that are, by definition, vulnerable and very low-income seniors?
- ◇ Per the Governor’s Budget proposal for these programs, do we have information about what amount of funding could be safely delayed for Home Safe and the Housing and Disability Advocacy Programs (HDAP) that would not adversely impact or threaten the stability of the vulnerable caseloads they serve?
- ◇ How did the Administration come up with the amounts of delays that are in the Governor’s Budget, or proposed delay of \$50 million in HDAP funding and \$65 million in Home Safe funding? How would it impact local programs? Does CDSS anticipate that any local Home Safe and HDAP programs would close or scale back if this funding is withheld by one fiscal year?
- ◇ What effect has the baseline county match requirement had on the administration of these programs?
 - Claire Ramsey, Chief Deputy Director, California Department of Social Services
 - Susie Smith, Deputy Director of Policy, Planning, and Public Affairs, San Francisco County Human Services Agency
 - Representative (Name Pending), Nevada County
 - Idalys Perez, Finance Budget Analyst, Department of Finance
 - Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst’s Office

Staff Comments

The Subcommittee Chair has discussed the need for more, complete, and comprehensive information about the impacts of any proposed reductions or delays, in order to inform

deliberations and decision-making. The expected impacts on local programs and on the impacted caseloads of these proposals remain unclear.

Additionally, the Subcommittee may wish to consider adopting language to remove the county match for the baseline housing and homelessness programs, as feedback from the local programs attests to the county match remaining an impediment in the securing and administering of needed housing and homelessness funds in the community.

Staff Recommendation: Hold open.

Issue 10: Oversight of Community Care Expansion (CCE) Funds

The CCE program funds the acquisition, construction, and rehabilitation of adult and senior care facilities that serve applicants and recipients of Supplemental Security Income (SSI) or Cash Assistance Program for Immigrants (CAPI), including individuals who are at risk of or experiencing homelessness. Funds are also available to preserve residential care settings, including through operating subsidies for existing licensed adult and senior care facilities currently serving SSI or CAPI recipients. CCE is part of a statewide investment in infrastructure funding to address homelessness, support healthcare delivery reform, and strengthen the social safety net. The California Health and Human Services Agency has bundled the CCE program with another program, the Behavioral Health Continuum Infrastructure Program (BHCIP). This item will only discuss CCE.

Funding. The 2021 Budget Act provided a total of \$805 million General Fund over multiple years for the CCE program. \$53.4 million of that total is included in the HCBS Spending Plan. The 2022 Budget Act included an additional \$55 million in one-time funding for operating subsidies for licensed facilities.

CCE Implementation. To date, CCE has funded 48 projects, with 1,993 proposed beds/units totaling \$353 million. The CCE has two primary components:

CCE Capital Expansion Program. CCE Capital Expansion funds the acquisition, construction, and rehabilitation of residential care settings. Grantees may be approved to use a portion of these funds to establish a capitalized operating subsidy reserve (COSR) for these projects, available for use for up to five years. Applications for CCE Capital Expansion project funding were accepted through a joint request for applications with the Department of Health Care Services BCHIP until June 1, 2023. CDSS received an overwhelming interest in CCE Capital Expansion funding with 374 applicants requesting \$3.8 billion in funding. To date, CDSS has awarded \$353 million to 42 applicants across 48 projects.

CCE Preservation Program. CCE Preservation is intended to immediately preserve and prevent the closure of existing licensed residential adult and senior care facilities, including Residential Care Facilities for the Elderly (RCFEs), Adult Residential Facilities (ARFs), or Residential Facilities for the Chronically Ill. This includes funds for capital projects and funds for operating subsidies. As of June 30, 2023, 34 counties have accepted a total of \$247.7 million in non-competitive allocation funds.

One of the key goals of the CCE is to promote the sustainability of existing licensed residential adult and senior care facilities that serve clients receiving SSI/SSP. Licensing data shows that between 2019 and 2022, residential care facilities that house clients receiving SSI/SSP experienced a roughly five percent decrease in total capacity. Specifically, Residential Care Facilities for the Elderly (RCFEs) housing clients receiving SSI/SSP experienced an approximately eight percent decrease in capacity.

Panel**Questions and Requests for the Panel:**

- ◇ Please provide an update on the Community Care Expansion (CCE) program, describing both the Capital Expansion and Preservation components of the program.
- ◇ What has been achieved so far under the CCE program, including new beds created for individuals on SSI? Please provide an overview of the types of residential facilities supported with CCE funds and the needs of those individuals. How many facilities serving individuals on SSI have been awarded expansion grants, preservation grants, or operating subsidies? What has the department learned about the impact of these operating subsidies?
- ◇ How is the CCE program preventing the closure of licensed residential care facilities and expanding the licensed capacity for facilities housing individuals who rely on SSI?
- ◇ What is the current percentage of available beds in these residential settings statewide (i.e. what is the utilization rate)?
- ◇ Is there any county match or like requirement for CCE? If not, why not?
 - Claire Ramsey, Chief Deputy Director, California Department of Social Services
 - Idalys Perez, Finance Budget Analyst, Department of Finance
 - Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

Staff Comments

A delay of funding for some portion of funding for CCE was not included the Governor's Budget, a notable outlier given the other Housing and Homelessness programs administered by DSS. The Subcommittee may wish to inquire if there may be an amount of CCE funds that could safely be delayed considering the treatment of the three programs where a delay was proposed, for Home Safe, HDAP, and Bringing Families Home.

Staff Recommendation: Hold open.

Issue 11: Budget Change Proposal for Adult Protective Services Program Planning and Development of Data Warehouse

CDSS requests limited-term federal fund authority of \$369,000 in 2024-25 and \$357,000 in 2025-26, including two positions, to begin planning and development efforts toward a data warehouse for the APS Program. This proposal has no effect on the General Fund.

Background. Each of California's 58 counties has an Adult Protective Services (APS) agency to aid adults aged 60 years and older and dependent adults who are unable to meet their needs, or are victims of abuse, neglect, or exploitation. The APS program provides 24/7 emergency response to reports of abuse and neglect of elders and dependent adults who live in private homes, apartments, hotels or hospitals, and health clinics. APS social workers evaluate abuse cases and arrange for services such as advocacy, counseling, money management, out-of-home placement, or conservatorship. APS social workers conduct in-person investigations on complex cases, often coordinating with local law enforcement, and assist elder adults and their families navigate systems such as conservatorships and local aging programs.

APS Data. As part of administering the APS program, each county is required to provide monthly data reports to CDSS. This data provides information on reports received, cases opened and closed, and demographic information on both victims and perpetrators. Capturing the data is done differently by each county as there is no statewide case management system or tool utilized by all counties across the state.

The current data collection system, known as the SOC 242, collects most of the data required by the federal Administration for Community Living's (ACL) National Adult Maltreatment Reporting System (NAMRS), including program management information and key data indicators. However, CDSS does not yet collect case-level data as requested by the federal government because there is not a statewide case management or data warehouse system. This has led to inconsistent and incomplete data submitted to the CDSS, and subsequently, to the federal government. While the ACL has currently granted CDSS an exemption to not report case-level data, this exemption is not guaranteed moving forward.

The 2021 Budget Act required CDSS, in conjunction with stakeholders, to explore the possibility of building a statewide data collection and/or case management system with the capability of providing case level information in real time to APS providers throughout the state. In November 2022, CDSS submitted a report outlining three options to address the lack of a statewide APS case management or data warehouse system.

Resource Request. This proposal requests to use federal funding recently made available through the Elder Justice Act for two Research Data Specialist I (RDS) positions. One RDS will lead data research and planning for the implementation of a statewide APS data warehouse and work with multiple stakeholders to access and analyze APS data, including conducting a racial and ethnic disparity analysis. The other RDS will collaborate with APS at the state and county levels to create a data collection system with supporting processes that maintain accurate, consistent, and timely reporting by all counties. The RDS will research and recommend data elements to be collected in the new system to meet current and future program requirements.

Lastly, this resource will develop dashboard, monitoring and reporting systems to track program access, outcomes, and other critical performance indicators which would allow the APS program to quickly identify and resolve program disparities.

According to CDSS, these resources will move the APS program towards statewide data-reporting uniformity, making federal reporting and trend analysis more accurate. This will inform and impact outreach, APS worker training, and make sure the APS Program's response to abuse allegations are more timely, effective, and equitable for program clients. Case-level data will allow the program to better identify and resolve disparities within the community while improving equitable outcomes in California for older and dependent adults especially those from communities of color and disenfranchised communities. It will allow the CDSS to report accurate and complete data to the NAMRS to help inform prevention and intervention practices on the national level of the adult maltreatment field.

In June 2023, California was notified that the APS program will receive \$1,379,183 under the Elder Justice Act to enhance, improve, and expand the ability of APS to investigate allegations of abuse, neglect, and exploitation. CDSS proposes to use this opportunity to fund the two limited-term resources to develop the APS Data Warehouse, which is consistent with the direction provided by the federal government for this funding.

CDSS reports that research and planning activities would begin in July 2024 and take one year and nine months. After research and planning, the staff will move onto the development phase where the statewide data warehouse will be created, and then implement a phased implementation to bring the counties onto the statewide data warehouse in groups.

Panel

Questions and Requests for the Panel:

- ◇ Please provide an overview of this proposal.
- ◇ When will the data system be completed, and how will it improve the state's understanding of the adults involved in the APS system?
- ◇ Please provide a practical example of how the APS Data Warehouse might identify and help to address a disparity in service provision for APS.
 - Claire Ramsey, Chief Deputy Director, California Department of Social Services
 - Idalys Perez, Finance Budget Analyst, Department of Finance
 - Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

Staff Comments

Subcommittee staff notes that this proposal does not impact the General Fund and will lead to more valuable and consistent information on the adults involved in the APS system. The Subcommittee may want to consider Budget Bill Language that captures the intent of this effort and provides for updates to the Legislature as the data warehouse is developed. The BBL could additionally require an annual correspondence to the Legislature capturing the metrics that track the workload and outcomes for APS, including information about disparities and how those disparities are being addressed, pursuant to the language in the BCP.

Staff Recommendation: Hold open.

Issue 12: Community Care Licensing Overview and Update

The Community Care Licensing Division (CCLD) under CDSS oversees the licensure or certification of approximately 69,646 licensed facilities that include childcare centers; family child care homes; adult day care facilities; foster family homes; and children, adult, and senior residential facilities. In addition, the Home Care Services Bureau oversees 1,908 licensed home care organizations. CCLD is responsible for protecting the health and safety of individuals served by those facilities. Licensing program analysts investigate any complaints lodged, and conduct inspections of the facilities. CCLD has a total of 1,593 authorized positions. In 2022-23, CCLD completed 34,000 facility inspections, 15,000 case management visits, 17,000 complaint investigations, and 7,000 applications for licensure.

Governor's Budget. The 2023-24 Budget for CCLD includes \$78.4 million General Fund, \$157.8 million federal funds, \$23.8 million for the Technical Assistance Fund (0270), \$2.1 million for the Certification Fund, \$2.7 million for the Child Health and Safety Fund (0279), \$7.3 million for the Home Care Fund, and \$2.8 million for the Continuing Care Provider Fee Fund (0163), which is continuously appropriated.

Funding. Licensed facilities must pay an application fee and an annual fee, which is set in statute. The revenue from these fees is deposited into the Technical Assistance Fund (TAF) and is expended by the department to fund administrative and other activities in support of the licensing program. In addition to these annual fees, facilities are assessed civil penalties if they are found to have committed a licensing violation. Civil penalties assessed on licensed facilities are also deposited into the TAF, and are required to be used by the department for technical assistance, training, and education of licensees.

Investments in the 2023 Budget Act. The 2023 Budget Act included several changes and investments under CCLD:

- **Background Check Resources and Replacing the Guardian System:** \$4 million for an increase of staff in the Care Provider Management Bureau for processing background checks, providing technical assistance, and customer services, in order to address the background check backlog. The 2023 Budget Act also included \$900,000 limited-term funding to (1) support ongoing IT maintenance for the Guardian background check system and (2) initiate planning activities to develop a replacement to the Guardian system. Budget bill language requires CDSS provide quarterly updates to legislative staff, including the Legislative Analyst's Office, on the status of the backlog, beginning August 1, 2023. The Guardian backlog as of January 2024 is 3,013 cases older than 120 days, which is an over 70 percent decrease compared to July 2022.
- **Home Care Fund Stabilization:** \$2.8 million ongoing to stabilize and provide responsible oversight and enforcement of the home care system in California through the Home Care Program. Trailer bill language requires CDSS to report to the Legislature by January 10, 2025 on the solvency of the Home Care Fund and submit quarterly progress updates to the Legislature. The Branch expansion included the hiring of 15 new positions. Nine of these positions have been hired, and CDSS is in the process of hiring the

remaining six. These efforts will increase the department's capacity to investigate businesses providing unlicensed home care services, issue civil penalties, and generate additional revenue for the Home Care Fund.

- **Preventing Trauma During Facility Closure:** \$5.1 million ongoing to support temporary manager contracts to protect the health and safety of residents of Residential Care Facilities for the Elderly and Adult Residential Facilities.
- **Veterans Foster Home Support:** \$1.3 million ongoing to implement AB 2119 (Flora), Chapter 381, Statutes of 2022, which requires medical foster homes authorized by the United States Department of Veterans Affairs (USDVA) to be licensed as medical foster homes for veterans by CCLD.
- **Facility Management System Project Planning Resources:** augments funding for project resources and vendor costs to align the budgetary authority with the updated Facility Management System (FMS) project budget, and re-appropriates \$21.1 million in unspent funds from the 2021 and 2022 Budget Acts.
- **Administrator Certification Section Training Updates:** Trailer bill language to modify the initial certification and continuing education training requirements for the Administrator Certification Program (ACP) to continue to offer online training options that were available throughout the COVID-19 pandemic under statewide waivers.

Panel

Questions and Requests for the Panel:

- ◇ Please provide an overview of the 2024-25 budget for CCLD.
- ◇ The 2023 Budget Act included \$4 million to increase staff to process background checks in order to reduce the background check backlog in Guardian. Please provide an update on the current Guardian backlog, as well as planning activities to develop a replacement to Guardian.
- ◇ Please provide an update on the Home Care Fund and actions taken to oversee and stabilize the home care system.
 - Claire Ramsey, Chief Deputy Director, California Department of Social Services
 - Idalys Perez, Finance Budget Analyst, Department of Finance
 - Juwan Trotter, Fiscal and Policy Analyst, Legislative Analyst's Office

Staff Comments

There no budget proposal in the CCL area, so this issue is intended to provide background regarding this important service and government responsibility.

Staff Recommendation: Hold open.

This agenda and other publications are available on the Assembly Budget Committee's website at: [Sub 2 Hearing Agendas | California State Assembly](#). You may contact the Committee at (916) 319-2099. This agenda was prepared by Nicole Vazquez.