

AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER TONY THURMOND, CHAIR

WEDNESDAY, APRIL 13, 2016

3:00 P.M. - STATE CAPITOL, ROOM 444

ITEMS TO BE HEARD		
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4170	CALIFORNIA DEPARTMENT OF AGING	
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LIST OF PANELISTS IN ORDER OF PRESENTATION**4170 CALIFORNIA DEPARTMENT OF AGING****ISSUE 1: BUDGET/PROGRAM REVIEW AND BUDGET CHANGE PROPOSALS**

- Lora Connolly, Director, and Ed Long, Deputy Director, California Department of Aging (CDA)
- Justin Freitas, Department of Finance
- Callie Freitag, Legislative Analyst's Office
- Public Comment

ISSUE 2: SENIOR NUTRITION PROGRAMS

- Lora Connolly, Director, and Ed Long, Deputy Director, California Department of Aging
- Paul Downey, Chair, California Commission on Aging
- Justin Freitas, Department of Finance
- Callie Freitag, Legislative Analyst's Office
- Public Comment

ISSUE 3: MULTIPURPOSE SENIOR SERVICES PROGRAM

- Lora Connolly, Director, and Ed Long, Deputy Director, California Department of Aging
- Denise Likar, Vice President, Independence at Home, a SCAN community service
- Justin Freitas, Department of Finance
- Callie Freitag, Legislative Analyst's Office
- Public Comment

ISSUE 4: LONG-TERM CARE OMBUDSMAN PROGRAM

- Lora Connolly, Director, and Ed Long, Deputy Director, California Department of Aging
- Hester Klinesteker, Ombudsman Program Manager, State Long-Term Care Ombudsman Program
- Crista Chelemedos, Program Coordinator, Senior Advocacy Services for Sonoma County and Vice President, California Long-Term Care Ombudsman Association
- Justin Freitas, Department of Finance
- Callie Freitag, Legislative Analyst's Office
- Public Comment

4185 CALIFORNIA SENIOR LEGISLATURE

ISSUE 5: BUDGET/PROGRAM REVIEW AND ADVOCACY REQUEST

- John Pointer, Joint Rules Committee Chair, California Senior Legislature (CSL)
- Justin Freitas, Department of Finance
- Callie Freitag, Legislative Analyst's Office
- Public Comment

4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

ISSUE 6: BUDGET/PROGRAM REVIEW AND BUDGET CHANGE PROPOSALS

- Linne Stout, Director, and Jason Wimbley, Chief Deputy Director, Department of Community Services and Development (CSD)
 - Please present on the CSD budget and major programs.
 - Please present briefly on the Governor's Budget Change Proposals for CSD.
- Justin Freitas, Department of Finance
- Ginni Bella, Legislative Analyst's Office
- Public Comment

ITEMS TO BE HEARD

4170 CALIFORNIA DEPARTMENT OF AGING

ISSUE 1: BUDGET/PROGRAM REVIEW AND BUDGET CHANGE PROPOSALS

PANEL

- Lora Connolly, Director, and Ed Long, Deputy Director, California Department of Aging (CDA)
 - Please present briefly on the CDA budget and major programs.
 - Please present the Governor's Budget Change Proposals for CDA.
- Justin Freitas, Department of Finance
- Callie Freitag, Legislative Analyst's Office
- Public Comment

BUDGET AND PROGRAM REVIEW

Budget Overview. The 2016-17 Governor's Budget includes \$201.6 million (\$33.7 million General Fund and \$167.9 million other funds) for the California Department of Aging (CDA). This represents a slight decrease of \$412,000 from the current year. As the federally designated State Unit on Aging, the Department administers federal Older Americans Act (OAA) programs that provide a wide variety of community-based supportive services and administers the Health Insurance Counseling and Advocacy Program.

A large proportion of funds for CDA come from the federal government, including OAA funding and grant funds. Federal funds are projected to be \$151.5 million in 2016-17, slightly lower than the current year. The Department also administers two Medi-Cal programs: it contracts directly with agencies that operate the Multipurpose Senior Services Program (MSSP), provides oversight for the MSSP waiver, and certifies Community-Based Adult Services (CBAS) centers for participation in Medi-Cal.

Department Description. The California Department of Aging's (CDA's) mission is to promote the independence and well-being of older adults, adults with disabilities, and families through:

- Access to information and services to improve the quality of their lives;
- Opportunities for community involvement;
- Support to family members providing care; and
- Collaboration with other state and local agencies.

As the designated State Unit on Aging, the Department administers Older Americans Act programs that provide a wide variety of community-based supportive services as well as congregate and home-delivered meals. It also administers the Health Insurance

Counseling and Advocacy Program. The Department also contracts directly with agencies that operate the Multipurpose Senior Services Program.

The Department administers most of these programs through contracts with the state's 33 local Area Agencies on Aging (AAAs). 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.

Overview of Department's Major Areas

- **Nutrition.** The Nutrition Program provides nutritionally-balanced meals, nutrition education and nutrition counseling to individuals 60 years of age or older. In addition to promoting better health through improved nutrition, the program focuses on reducing the isolation of the elderly and providing a link to other social and supportive services such as transportation, information and assistance, escort, employment, and education.
- **Senior Community Employment Services.** The federal Senior Community Service Employment Program, Title V of the Older Americans Act, provides part-time subsidized training and employment in community service agencies for low-income persons, 55 years of age and older. The program also promotes transition to unsubsidized employment.
- **Supportive Services.** This program provides supportive services including information and assistance, legal and transportation services, senior centers, the Long-Term Care Ombudsman and elder abuse prevention, and in-home services for frail older Californians as authorized by Titles III and VII of the Older Americans Act. The services provided are designed to assist older individuals to live as independently as possible and access the programs and services available to them.
- **Community-Based Programs and Projects.** This program includes the community-based Health Insurance Counseling and Advocacy Program (HICAP). HICAP provides personalized counseling, community education and outreach events for Medicare beneficiaries. Volunteer counselors assist individuals understanding their rights and health care options. HICAP is the primary local source for accurate and objective information and assistance with Medicare benefits, prescription drug plans and health plans.
- **Medi-Cal Programs.** This program includes oversight of the Multipurpose Senior Services Program (MSSP) and Community-Based Adult Services (CBAS) program. Both of these programs are administered by CDA through interagency agreements with the Department of Health Care Services (DHCS). CBAS is a community-based day health program that provides services to adults 18 years of age or over who are at risk of needing institutional care due to chronic medical, cognitive, or mental health conditions and/or disabilities. CDA certifies CBAS centers for participation in the Medi-Cal Program. Under a 1915 Medicaid home and community-based

services waiver, MSSP provides health and social care management to prevent premature and unnecessary long-term care institutionalization of frail adults aged 65 or older who otherwise would be placed in a nursing facility. (MSSP issues in the Coordinated Care Initiative are discussed in another Issue in this agenda.)

Historical Budget Reductions. Between July 2007 and June 2012, the CDA budget was reduced by approximately \$30.1 million in General Fund. These recessionary cuts eliminated any state support for program funding that had previously complemented federal funds received for aging services, including state funds that had supported most of the Community Based Services Programs in the Older Californians Act, including Foster Grandparent, Brown Bag, Alzheimer's Day Care Resource Centers, Senior Companion, Linkages, Respite Purchase of Services, and the Long Term Care Ombudsman programs. These cuts also eliminated General Fund supporting the federal Senior Community Services Employment and reduced state funds supporting the federal senior congregate and home-delivered nutrition programs.

BUDGET CHANGE PROPOSALS

The Subcommittee is in receipt of two Budget Change Proposals (BCPs) from CDA. These are discussed below.

- 1. Information Technology (IT) Branch Staffing BCP.** The Budget requests authority for three permanent positions, utilizing \$423,000 in existing expenditure authority for its IT Branch to bring staffing up to the minimum level necessary to meet State IT requirements, ensure a stable network environment and mitigate security concerns to an acceptable level. This request will be funded using a combination of existing CDA funding sources including Older Americans Act federal funds and Medi-Cal (General Fund and FFP). CDA's IT Branch has been minimally staffed over the years and has never been augmented to keep up with workload associated with major technological changes, especially in the area of security-related requirements and reporting to control agencies about them. At the same time, budget cuts have resulted in the loss of IT resources and positions. Currently the Branch has seven positions.
- 2. Community-Based Adult Services (CBAS) Branch Request for Additional Staffing to Comply with State and Federal Mandates BCP.** The Budget requests an augmentation of \$705,000 in funding (\$319,000 General Fund and \$386,000 in Reimbursements from DHCS) for its CBAS Branch to support four additional positions (three Associate Governmental Program Analysts (AGPA), and one Nurse Evaluator II (NE II),) needed to ensure compliance with current state statutes as well as new federal requirements for CBAS provider certification. Currently, CDA is not meeting statutory requirements for timely provider certification, which places participant health and safety at risk and results in CBAS providers being out of compliance with the contractual requirements of their managed care plans. Without these additional resources, CDA will also not be able to implement and monitor compliance with new federal regulations.

ADVOCACY PROPOSALS IN AGING

This agenda includes separate issues under the Aging topic where program updates and advocacy proposals on the same subject can be heard together. The following two advocacy proposals were also received by the Subcommittee by the Chair of the Assembly Committee on Aging and Long-Term Care, Assemblymember Cheryl Brown, and are included under this more general issue.

- **Alzheimer's Day Care Resource Centers – Restoration of \$4 million General Fund.** "Once funded at \$3.787 million, the ADCRC program provided previously licensed Adult Day Care (ADC) and Adult Day Health Care (ADHC) centers with funds to support an enhanced infrastructure (specialized staffing, training, education, and caregiver support systems) required to meet the needs of persons with moderate to severe levels of dementia... There were 65 ADCRCs in California that served approximately 3,200 frail older persons on a day basis thus relieving family caregivers so that they may work. Approximately 33 percent of the clients had severe cognitive impairment, 38 percent were 85 or older, and over 33 percent impoverished."
- **Elder Economic Security Index – Request for \$50,000 General Fund.** "The Elder Index was established by the Elder Economic Planning Act of 2011, AB 138 (Beall, Chapter 669, Statutes of 2011). The genesis of the Elder Index emerged through advocacy by one of California's leading think tanks dedicated to building economic health and opportunity in vulnerable communities, the Insight Center for Community Economic Development... The Legislature intended that the [CDA] and the area agencies on aging (AAAs) utilize the Elder Index, when available, as developed and updated by the University of California, Los Angeles (UCLA), Center for Health Policy Research, as a planning tool in the development of local areas plans, and as a guide in allocating existing resources that support local senior services. The legislative objective was qualified; only to be used if the [Index] is updated and made available to CDA... With the imminent withdrawal of the California HealthCare Foundation's support in January 2016, the Elder Index is at risk. Principals at UCLA indicate that roughly \$50,000 would provide the necessary support to continue this important endeavor annually."

STAFF COMMENT

No issues have been raised as yet with the CDA BCP requests. These appear reasonable and justified.

Staff Recommendation:

Staff recommends holding open all issues under this item.

ISSUE 2: SENIOR NUTRITION PROGRAMS**PANEL**

- Lora Connolly, Director, and Ed Long, Deputy Director, California Department of Aging
 - Please describe the funding, history, and current status of the Senior Nutrition Programs administered by CDA.
- Paul Downey, Chair, California Commission on Aging
- Justin Freitas, Department of Finance
- Callie Freitag, Legislative Analyst's Office
- Public Comment

SENIOR NUTRITION PROGRAM

The Senior Nutrition Program provides nutritionally-balanced meals, nutrition education, and nutrition counseling to individuals 60 years of age or older. In addition to promoting better health through improved nutrition, the program focuses on reducing the isolation of the elderly and providing a link to other social and supportive services such as transportation, information and assistance, employment, and education.

In February 2016, after the Governor's Budget was released, CDA received the 2016 OAA Notices of Award from the federal Administration on Aging. CDA will receive an additional \$3.6 million in OAA funding. The delayed award was due to the late passage of the federal budget. Any additional budget authority will be requested through the budget revision process later this year.

Older Americans Act Title III-Senior Nutrition Program

Program Title	FEDERAL OAA	STATE GF	Total
	10/1/14-9/30/15	7/1/15-6/30/16	
Congregate Meals	\$43,329,545	\$3,686,000	\$47,015,545
Home-Delivered Meals	\$22,178,956	\$4,620,000	\$26,798,956
TOTAL Title III Senior Nutrition	\$65,508,501	\$8,306,000	\$73,814,501

Program Title	FEDERAL OAA	STATE GF	Total
	10/1/15-9/30/16	7/1/16 -6/30/17	
Congregate Meals	\$45,080,598	\$3,686,000	\$48,766,598
Home-Delivered Meals	\$23,373,558	\$4,620,000	\$27,993,558
TOTAL Title III Senior Nutrition	\$68,454,156	\$8,306,000	\$76,760,156

The Department contracts with the 33 Local Area Agencies on Aging (AAAs) who either directly or through contracts with providers deliver OAA services (Congregate and Home Delivered Meals (Title CI & C2), as well as Supportive Services, Family Caregiver, and Disease Prevention programs (Title III B, D, E).

Intrastate Funding Formula (IFF). The Department allocates OAA funds using the Intrastate Funding Formula (IFF) that conforms to regulations set forth in the federal Older Americans Act and the Older Californians Act (Welfare & Institutions Code 9112). Federal law dictates the allocation of federal and State matching funds, and State law dictates the allocation of Local Administration and Non-match General Fund (if any). This formula uses weighted population demographic data that includes minimum funding and maintenance of effort tests. The formula is designed to target increased resources based on individuals with the greatest economic and social need with attention to low-income and minority older individuals. "Greatest economic need" means a need caused by an income at or below the poverty line. "Greatest social need" means a need caused by non-economic factors which includes physical and mental disabilities, language barriers and cultural, social or geographical isolation caused by racial or ethnic status.

If funds remain, after all maintenance of funding levels have been met under the federal IFF, these funds are distributed to the AAAs based on the state formula that allocates funds proportionately across seven factors, many of which are the same as the federal IFF, but also include seniors living in poverty and those aged 75 and older.

ADVOCACY PROPOSAL

The Subcommittee has received an advocacy request sponsored jointly by the California Commission on Aging, the California Association of Area Agencies on Aging, and the Congress of California Seniors. They request \$5.4 million General Fund to augment existing senior nutrition programs in the state. "Without basic nutrition, no individual remains healthy for long, and an especially not a frail senior, or one recovering from a recent illness or injury. Quality Nutrition has been identified as an essential component of recovery from hospital stays as well, and without access to healthy nutritious food, readmissions will increase rather than decrease. Three highly successful program models exist for seniors; each one severely compromised by waiting lists and program closures. Augmentation of senior nutrition programs is the cornerstone for healthy aging.

Senior nutrition deserves special attention as a strategy to reduce the health and medical needs (and resultant care costs) of older Californians. A study that examined the health and nutritional status of seniors found that food-insecure seniors had significantly lower intakes of vital nutrients in their diets when compared to their food-secure counterparts. These food-insecure seniors were 2.33 times more likely to report

fair/poor health status and had a higher nutritional risk. Food-insecure seniors are at greater risk for chronic health conditions and experience the following:

- 60 percent more likely to experience depression,
- 53 percent more likely to report a heart attack,
- 52 percent more likely to develop asthma, and
- 40 percent more likely to report an experience of congestive heart failure.

Quality Nutrition increases healthy outcomes for patients released from hospitals. In one study, the readmission rate for patients treated for congestive heart failure was reduced from 26% to 15% when those patients were delivered two meals a day from Meals on Wheels service providers."

The Assembly Aging and Long-Term Care Committee Chair Assemblywoman Cheryl Brown has also written in support of this request.

Staff Recommendation:

Staff recommends holding this issue open.

ISSUE 3: MULTIPURPOSE SENIOR SERVICES PROGRAM**PANEL**

- Lora Connolly, Director, and Ed Long, Deputy Director, California Department of Aging
 - Please describe the MSSP program status, the progress of transitioning MSSP pursuant to the Coordinated Care Initiative, and reaction to the issues raised by the advocates.
- Denise Likar, Vice President, Independence at Home, a SCAN community service
- Justin Freitas, Department of Finance
- Callie Freitag, Legislative Analyst's Office
- Public Comment

MULTIPURPOSE SENIOR SERVICES PROGRAM

The Multipurpose Senior Services Program (MSSP) provides both social and health care management services for frail individuals aged 65 and older who wish to remain in their own homes and communities. To be eligible for MSSP, these individuals must meet the level of care criteria for skilled nursing facility care. The Program's goal is to prevent or delay institutionalization through ongoing care management, using available community services and resources and purchasing services when services are not already available, to maintain participants in their homes. The annual total combined cost of care management and services must be lower than the cost of residing in a skilled nursing facility. MSSP operates under a Medicaid 1915(c) home- and community-based services (HCBS) waiver.

Under California's Coordinated Care Initiative (CCI), most Medi-Cal beneficiaries in CCI counties must be enrolled in a participating Medi-Cal managed care health plan to receive their Medi-Cal benefits, including MSSP. This requirement applies unless the individual lives outside the managed care health plan's covered service area, is awaiting enrollment into a managed care health plan, or is exempt from managed care health plan enrollment. MSSP sites that provide concurrent waiver services in a CCI county have entered into agreements with participating managed care health plans to deliver MSSP waiver services to eligible plan members. MSSP sites serving non-CCI counties continue to deliver MSSP services as a Medi-Cal fee-for-service benefit.

In the CCI counties (Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo and Santa Clara), MSSP continues to be a 1915(c) HCBS waiver benefit until it transitions to being a fully integrated managed care health plan benefit that is administered and authorized by the plan. In San Mateo County, this transition occurred on October 31, 2015. In the remaining six CCI counties, this transition must occur no later than December 31, 2017. Full transition of MSSP into managed care in the

remaining six CCI counties will affect 12 MSSP sites and approximately 4,856 participants.

The chart below provides further detail on the MSSP participants served in both CCI and non-CCI counties statewide.

MSSP Participants Served by CCI Counties and Non-CCI Counties	
CCI COUNTIES	
	Participant Slots
Los Angeles	2,952
Orange	455
Riverside	248
San Bernardino	276
San Diego	550
San Mateo*	160
Santa Clara County	375
Subtotal CCI County Participant Slots	5,016
NON-CCI COUNTIES	
Alameda	377
Amador, Calaveras, Mariposa and Tuolumne	80
Butte, Glenn and Tehama	160
Contra Costa	160
El Dorado	60
Fresno and Madera	251
Humboldt	104
Imperial	160
Kern	167
Kings and Tulare	163
Lake and Mendocino	240
Lassen, Modoc, Shasta, Siskiyou and Trinity	160
Marin	80
Merced	160
Monterey	160
Napa and Solano	160
Placer, Sacramento and Yolo	276
San Francisco	446
San Joaquin	160
Santa Barbara	160
Santa Cruz	160
Sonoma	160
Stanislaus	160
Ventura	160
Yuba	52
Subtotal Non-CCI County Participant Slots	4,376
Unallocated Slots	51
TOTAL	9,443

*San Mateo MSSP transitioned on 10/31/15

The Department is working closely with the Department of Health Care Services (DHCS), MSSP sites, and Medi-Cal managed care health plans to address operational issues associated with providing MSSP waiver services through managed care and prepare for MSSP's transition to a fully integrated managed care plan benefit in CCI counties. A description of the key MSSP transition activities in FY 2015-16 follows below.

Key MSSP Transition Activities in 2015-16

- **San Mateo County Transition** – On October 31, 2015, San Mateo County successfully transitioned 160 MSSP participants to the Health Plan of San Mateo.
- **MSSP Retreat** – In October 2015, DHCS and CDA hosted a facilitated two-day retreat with CCI managed care health plans and MSSP sites to identify concerns related to MSSP transition (e.g., transition readiness benchmarks, continuity of care, local stakeholder process expectations, and rates).
- **Project Management** – In February 2016, DHCS engaged a project manager to assist with implementing the MSSP transition. DHCS and CDA are meeting on an ongoing basis to address issues and provide guidance and technical assistance to the CCI managed care health plans and MSSP sites.
- **Project Plan** – CDA and DHCS have developed a project plan detailing the steps necessary to accomplish MSSP transition by December 31, 2017. This project plan has been shared in draft with the CCI managed care health plans and MSSP sites for comment and discussion.

ADVOCACY PROPOSAL

The Subcommittee has received correspondence from the MSSP Site Association with the following two main requests:

MSSP Rates. Requesting a rate increase of \$4 million General Fund. "When matched with federal funds, the per-slot rate would increase from \$4,285 to \$5,142 per year. This rate increase would allow sites to serve 100% or more of the current MSSP participants and keep pace with rising costs. Compared to \$83,364 annually for a nursing home, the investment of \$5,142 per slot is a significant cost savings for tax payers." The Assembly Aging and Long-Term Care Committee Chair Assemblywoman Cheryl Brown has also written in support of this request.

MSSP in the Coordinated Care Initiative. Requesting that the following actions be urged of the Administration:

- "Carve out MSSP from the current CCI demonstration while the State works on stabilizing the overall CCI model of care. Taking this action will ensure the frailest of Californians are protected with the proper services that will keep them safe at home. Additionally, the exclusion of MSSP in the demonstration will allow MSSP providers, health plans, and DHCS to stop spending immense administrative resources while the future of the CCI demonstration is determined. This action also does not fiscally impact the CCI budget.
- Strengthen the existing mandates by creating and enforcing standards of care and ensure that those needing intensive care management will receive services that are guided by the defined set of standards, minimum services and timeframes within which to deliver them, and other consumer protections that must be adhered to by all plans.
- Request a CCI updated from the Department of Health Care Services addressing the following questions. This will assist the legislature in obtaining a progress report regarding the current state of MSSP integration and future planning. The questions include:
 1. Provide a breakdown of the MSSP population based on CMC, MLTSS and fee for service.
 2. Provide an update regarding the full implementation of care coordination between the Plans and the MSSP sites, including where care is delegated to the medical groups.
 3. What outcomes from the care coordination process involving MSSP participants are available for review? How will this data be used to build the future model of care?
 4. What will the State do with the MSSP clients who are fee for service in the future?
 5. Describe the MLTSS care management process involving MSSP participants and how plans ensure continuity of LTSS care?
 6. [Plans] have expressed concern about the future model of care due to lack of funding to provide the intensity of MSSP for MLTSS participants. How is the State addressing this so that statute will be fulfilled in creating a program that has the essence of the current MSSP model?

Staff Recommendation:

Staff recommends holding this issue open.

ISSUE 4: LONG-TERM CARE OMBUDSMAN PROGRAM
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PANEL

- Lora Connolly, Director, and Ed Long, Deputy Director, California Department of Aging
- Hester Klinesteker, Ombudsman Program Manager, State Long-Term Care Ombudsman Program
 - Please present briefly on the program funding, history, and observations about the work seen in the current year.
- Crista Chelemedos, Program Coordinator, Senior Advocacy Services for Sonoma County and Vice President , California Long-Term Care Ombudsman Association
- Justin Freitas, Department of Finance
- Callie Freitag, Legislative Analyst's Office
- Public Comment

LONG-TERM CARE OMBUDSMAN PROGRAM BACKGROUND
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In 2015-16, \$1.4 million in additional funds were allocated to provide increased support for the Long-Term Care (LTC) Ombudsman Program. Local Ombudsman programs received \$1 million from the General Fund for the first time since FY 2007-08. They also received an additional \$400,000 from the California Department of Public Health, Licensing and Certification Program Fund, as a direct result of an increase in the Skilled Nursing Facility Bed Fee.

This additional funding has directly led to increased LTC Ombudsman visits to facilities and assistance to residents. Comparing second quarter FY 2015-16 to second quarter FY 2014-15, the following occurred:

- **27.3% increase in the number of information and consultation sessions with individuals** – during these sessions, Ombudsman representatives provide information about long-term care and answer questions about residents' rights and other issues that residents, family members, and friends may be concerned about, often empowering residents, families, and friends to resolve issues on their own;
- **13.9% increase in the number of residential care facilities receiving at least one visit each quarter, not in response to a complaint** -- during these unannounced, non-complaint related visits, Ombudsman representatives meet with residents, inform residents of their rights, and build relationships of trust;
- **6.2% increase in the number of skilled nursing facilities receiving at least one visit each quarter, not in response to a complaint** – during these

unannounced, non-complaint related visits, Ombudsman representatives meet with residents, inform residents of their rights, and build relationships of trust;

- **13.6% increase in the number of consultations to facilities** – these consultations can resolve issues before they even become complaints;
- **17.8% increase in the number of paid staff** – these are staff positions that are working in facilities and responding to resident complaints (27 positions);
- **54.4% increase in the number of training sessions for Ombudsman staff and volunteers** – a significant increased investment in well-trained existing and new Ombudsman representatives

An additional \$1 million was allocated to local Ombudsman programs from the State Health Facilities Citation Penalty Account on a one time basis. Local Ombudsman programs used this funding for expenditures that are one-time in nature, e.g., long delayed equipment purchases, reimbursement of volunteer mileage, volunteer recognition activities, and infrastructure improvements such as increased Internet bandwidth for local Ombudsman program offices.

ADVOCACY PROPOSAL

The Subcommittee is in receipt of a request from the California Long-Term Care Ombudsman Association (CLTCOA) of \$3.6 million General Fund. "[CLTCOA] requests an allocation that conforms to the unanimous and bipartisan actions of the 2015-2016 Budget Conference Committee recommendation of an additional \$5 million in General Fund support for the Long Term Care Ombudsman Program, which was then passed by both houses of the Legislature. While the program is most grateful for the \$1.4 million continuing appropriation included in the 2015 approved budget, we request that the Legislature's intent be fully actualized and sustained through an on-going \$3.6 million allocation to the Long Term Care Ombudsman Program.

This increased funding will enable the program to:

- Conduct vital unannounced monitoring visits to all long-term care facilities in California;
- Recruit, supervise and train volunteer Ombudsmen;
- Investigate more complaints per year...

Since this elimination, Ombudsman representatives have worked tirelessly to secure alternative funding, streamline services and create more efficient systems. Total allocated local funding for the LTCOP in 2016 stands at \$7.29 million compared to \$11.2 million in FY 2007-08. In response to cuts in funding, California's local LTCOPs were forced to reduce operating hours and scale back services. Since the cuts to their budget, the local LTCOPs have had to greatly reduce the number of long-term care facilities they visit quarterly. There were 5,206 facilities in California that did not receive

regular quarterly visits from an Ombudsman in FY 2014/15. This left approximately 100,000 residents in those facilities without an advocate and at increased risk of suffering from abuse and neglect. The requested funding will allow the LTCOP to once again meet their federal and state mandates, and will be an important first step to rebuilding the State's commitment to protecting vulnerable residents of LTC facilities."

The Assembly Aging and Long-Term Care Committee Chair Assemblywoman Cheryl Brown has also written in support of this request.

Staff Recommendation:

Staff recommends holding this issue open.

4185 CALIFORNIA SENIOR LEGISLATURE**ISSUE 5: BUDGET/PROGRAM REVIEW AND ADVOCACY REQUEST****PANEL**

- John Pointer, Joint Rules Committee Chair, California Senior Legislature (CSL)
 - Please present on the current CSL funding status and the request being made under this item.
- Justin Freitas, Department of Finance
- Callie Freitag, Legislative Analyst's Office
- Public Comment

CALIFORNIA SENIOR LEGISLATURE

The California Senior Legislature (CSL) is state organization, with the following stated objectives:

- Identifying priority senior concerns.
- Developing legislative proposals in response to those concerns.
- Advocating for the inclusion of those concerns in legislative proposals of the State Legislature.

The funding source for the CSL is the "California Senior Legislature Fund," recently renamed from the title "California Fund for Senior Citizens." The 2016-17 Governor's Budget assumes that the current Fund will yield \$320,000 and that this will fund the 1.2 positions that currently are, and historically have been, provided to the CSL for the administration of its office and program activities.

The CSL was founded through the efforts of former State Senator Henry J. Mello, who in 1980 lead a popular effort through ACR 129 (Resolution Chapter 91, Statutes of 1980) calling the initial session of a "Silver-Haired Legislature," a forum through which older Californians develop legislative priorities to present to State Legislative Members as bills.

Forty "Senior Senators" and eighty "Senior Assembly Members" are selected from each of the 33 Area Agencies on Aging. The CSL's work is accomplished in an annual cycle of activity with a focus on a four-day long model legislative session, held at the State Capitol each October. Following deliberations at the annual session, the top-ten state proposals and top-four federal priorities are taken to state and federal legislators who are asked to author the legislation.

To sustain the organization, the CSL pioneered a popular fund raising mechanism known as the "tax check-off." The success of the tax check-off has inspired many other organizations to make similar efforts to establish their own check-off system. Today, many worthy organizations rely upon this mechanism to heighten awareness and raise

critical resources to carry-out their vision and mission. Unfortunately, due to issues such as the recent recession, contributions have been reduced to below sustainable levels.

REQUEST FOR ADMINISTRATIVE FUNDING

The CSL is requesting consideration of a relief appropriation of \$500,000 General Fund. "For 35 years, the CSL has fought successfully for California seniors and because of their actions, millions of seniors are living better lives. The CSL has helped our state's seniors have a voice in the legislature over the past three decades. Unfortunately, the organization is now in need of our help to continue their tradition of success of helping preserve and enhance the quality of life for older Californians and their families.

The CSL relies upon a tax check-off as its primary source of operating revenue. In recent years, the CSL has experienced a severe drop-off in donations resulting in drastic cost-cutting measures being implemented. These cost-cutting measures threaten the viability and purpose of the organization. Because of this dire situation, we are requesting an appropriation of \$500,000 to bridge the fiscal gap that has emerged in the CSL budget. These funds will provide a lifeline and the ability to develop a long term funding plan."

Staff Recommendation:

Staff recommends holding this issue open.

4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT**ISSUE 6: BUDGET/PROGRAM REVIEW AND BUDGET CHANGE PROPOSALS****PANEL**

- Linne Stout, Director, and Jason Wimbley, Chief Deputy Director, Department of Community Services and Development (CSD)
 - Please present on the CSD budget and major programs.
 - Please present briefly on the Governor's Budget Change Proposals for CSD.
- Justin Freitas, Department of Finance
- Ginni Bella, Legislative Analyst's Office
- Public Comment

BUDGET AND PROGRAM REVIEW

The Department of Community Services and Development (CSD) leads the development and coordination of effective and innovative programs for low-income Californians. The Governor's budget proposes total spending of \$335.2 million (\$7.5 million General Fund) for CSD, a decrease in overall spending of 11.8 percent from the current year. CSD is projected to have 103.4 positions in 2016-17.

Overview of Department's Major Areas

- **Energy Programs.** The Energy Programs assist low-income households in meeting their immediate and long-term home energy needs through financial assistance, energy conservation, weatherization and renewable energy services.

The Low-Income Home Energy Assistance Program (LIHEAP) provides financial assistance to eligible low-income households to offset the costs of heating and/or cooling residential dwellings, assistance for weather-related or energy-related emergencies, and weatherization services to improve the energy efficiency of low-income residential dwellings and safeguard the health and safety of household occupants. This program may include a leveraging incentive program in which supplementary LIHEAP funds can be obtained by LIHEAP grantees if non-federal leveraged home energy resources are used along with LIHEAP weatherization related services.

The Department of Energy Weatherization Assistance Program provides weatherization to improve the energy efficiency of low-income residential dwellings and safeguard the health and safety of household occupants.

The Lead-Based Paint Hazard Control Program provides services to fully abate or control lead paint hazards in low-income privately owned housing with young children.

The Low-Income Weatherization Program (LIWP) provides weatherization and renewable energy services in low-income single-family and multi-family dwellings, within disadvantaged communities to help reduce Greenhouse Gas (GHG) emissions. LIWP will include projects such as weatherization, solar water heater and solar photovoltaic systems installations.

- **Community Services.** The Community Services Block Grant (CSBG) is designed to enable local government and private nonprofit community organizations to help low-income families achieve and maintain self-sufficiency through a broad range of activities. These activities include education, employment services, emergency services, housing, income support and management, and health and nutritional services. Additionally, CSBG funds are used by local community organizations to revitalize low-income communities.

BUDGET CHANGE PROPOSALS

The Subcommittee is in receipt of three Budget Change Proposals (BCPs) from CSD. These are discussed below.

1. **Support for Low-Income Weatherization Program (LIWP) BCP.** The Budget requests \$75 million from the Greenhouse Gas Reduction Fund in 2016-17 to continue supporting the Low-Income Weatherization Program (LIWP) activities promoting greenhouse gas emission reductions in the residential sector and energy savings for low-income households. The \$75 million funding will be allocated to State Operations (\$4.7 million) and Local Assistance (\$70.3 million) to further support existing weatherization and solar programs benefiting low-income communities.

The following information has been provided by the CSD as context and additional justification associated with this BCP and the LIWP:

Current Program. California Department of Community Services and Development (CSD) currently administers the Low-Income Weatherization Program (LIWP) and was originally funded as a one-time program in FY 14-15; however, CSD received a second appropriation in FY 15-16 and is proposed for continued funding in FY 16-17. LIWP was designed to leverage federal funds and use existing administrative resources for programmatic efficiencies. CSD utilized state operations funds to hire some temporary help staff to fill in to support administering the program. While some staff work full-time on LIWP, others charge a portion of their time to LIWP and to other federal programs such as Low-Income Home Energy Assistance Program and the Department of Energy Weatherization Assistance Program. CSD was given no permanent or limited term staffing authority.

Proposed Program. Going into a third year of the program, CSD is proposing to create a dedicated unit specifically for LIWP called the Climate Investment Unit

(CIU) to more efficiently administer the program. The proposed unit will consist of 13.0 staff members (12.0 limited-term and 1.0 permanent) and 1.0 (permanent) Disadvantaged Community Liaison within CSD. The majority of staff have already been filled using the 14-15 appropriation. CSD is not requesting additional staffing authority in the 2016-17 BCP; however, CSD plans to administer the LIWP program by redirecting existing positions as follows:

Disadvantaged Community Liaison and Outreach - CSD has established 1.0 Staff Services Manager II (SSM II) – Managerial to serve as the project manager to oversee and coordinate statewide planning and implementation efforts for LIWP. The SSM II provides technical assistance for disadvantaged communities and other stakeholder groups. The SSM II works directly with disadvantaged communities, the Air Resources Board (ARB) and other agencies managing California Climate Investments. The SSM II provides program-specific technical assistance for potential project applicants in disadvantaged communities. The SSM II serves as the primary liaison to ARB, stakeholders and other interested parties to promote effective communication and implementation of the LIWP program and coordinates public outreach efforts. The SSM II will coordinate the establishment of a LIWP Advisory Board and act as the Board liaison. The SSM II also facilitates the development of external and internal communication strategies and approval of LIWP's progress and data reports to state control agencies and the Legislature.

Climate Investment Unit. CSD is proposing 1.0 SSM II - Supervisory who will be responsible for the planning, oversight, and performance of the program policy and monitoring components of LIWP and the administration of the CIU. The SSM II will serve in a supervisory level capacity and is the primary consultant and advisor to the Deputy Director of Energy and Environmental Services on matters relative to functions, activities, and responsibilities of the CIU. The SSM II will evaluate staff performance, provide work improvement counseling and training, assist with staff development, and make personnel action recommendations to Deputy Director. The SSM II will also serve as the subject matter expert who advises and consults with CSD executive staff on program development, planning and allocations for implementation of LIWP program components, establishes program strategies, goals and objectives, ensures accountability and transparency of LIWP, and evaluates the performance of LIWP Providers and progress towards meeting program goals. The SSM II will be the CIU's principal liaison for information technology, contract and procurement, and fiscal management issues with CSD's Administrative Services Division. The SSM II will conduct policy and administrative analyses on LIWP implementation, review issue memos, coordinate the preparation of policy papers and Program Guidelines, and recommend resolution of major LIWP policy, contract and administrative issues. The SSM II will brief executive staff regarding significant LIWP policy and administrative matters and ensure the CIU operates consistently with Departmental and other established policies. The SSM II will also lead internal collaboration efforts to enhance program and fiscal monitoring to ensure that areas of risk are properly evaluated to prevent fraud, waste and abuse.

CSD is proposing 1.0 Research Program Specialist I (RPS I) to assist in the coordination, development and evaluation of LIWP, including in program design and implementation; state and local planning, policy and evaluation documents; data and statistical analysis; and reporting outcomes. The RPS I will develop evaluation research designs for establishing program goals and outcomes measurement strategies; and tools, systems, and methodologies for appropriate data collection for quantification of programmatic outcomes and results and evaluation of program effectiveness in the areas of greenhouse gas reduction, energy savings, and other LIWP co-benefits.

CIU – Program Policy. CSD is proposing 1.0 SSM I who will be responsible for planning and overseeing aspects of LIWP program policies to ensure that eligible low-income Californians have access to energy efficiency measures and renewables to manage and reduce their energy costs. The primary functions of the SSM I will be to act as a first-line manager for contract and policy development; the implementation of innovative projects and special programs that further LIWP services; policy research, program design and the development of subject matter expertise; and the formation of collaborative partnerships with stakeholders and energy efficiency and other organizations.

CSD is proposing 2.0 Research Analyst II's (RA II) to be responsible for assisting in maintaining the effective operation of LIWP. The RA II's will perform research and data analysis and serve as CIU subject matter experts for single family and multi-family energy efficiency initiatives; residential solar photovoltaics and solar water heating; community solar; and other emerging areas in the field of green energy and climate change. The RA II's will also provide technical support to analyze, gather, and respond to data requests from the Governor's Office and Department of Finance concerning LIWP and other climate change programs. The RA II's will coordinate with training consultants to deliver training on standards for energy efficiency measures and renewables for LIWP providers. The RA II's will also be responsible for CIU's workforce development initiatives by working with LIWP providers, local workforce development agencies, and other stakeholders to develop and implement strategies for training, job creation and certification in the energy efficiency and solar sectors.

CSD is proposing 3.0 Associate Governmental Program Analysts (AGPA) to assist in the preparation and coordination of contracts, Program Guidelines, solicitation documents and procurements related to LIWP. The AGPA's will also provide technical analysis of complex issues involving federal and state laws and regulations, building code/design regulations, industry efficiency standards, and installation practices for energy efficiency measures and renewables. The AGPAs will provide technical support to internal staff and LIWP providers to enhance full and consistent understanding of energy efficiency and greenhouse gas reduction requirements and installation standards.

CIU – Monitoring. CSD is proposing 1.0 SSM I to oversee the program and fiscal compliance of LIWP, which is administered by public and nonprofit agencies statewide. This position will act as a first-line manager who supervises, plans, organizes and directs the ongoing activities of the monitoring staff who conduct program and fiscal monitoring of public and private non-profit community based organizations.

CSD is proposing 4.0 AGPAs to perform contract monitoring activities and have oversight responsibility to ensure LIWP providers are compliant and knowledgeable with federal and state laws and policies with respect to LIWP. In addition, staff will conduct quality assurance inspections to ensure that the quality of work performed or coordinated by LIWP providers meets LIWP standards. To accomplish oversight responsibilities, CSD will monitor program progress year round by a combination of in-house review of LIWP providers' programmatic and fiscal reporting submissions to CSD, and on-site and field monitoring and inspection visits. Additionally, responsibilities shall also include providing training and technical assistance to LIWP providers on compliance and/or quality of work issues. The AGPAs will perform quality control review of energy audits and project documentation.

In addition to the 14.0 dedicated staff that forms the CIU, the administrative and executive staff throughout the department will continue to charge a portion of their time to LIWP as part of the indirect personnel cost of the program. Lastly, CSD is proposing to utilize \$1.1 million in contract funds for consultant contracts in the following areas but not limited to: multi-family housing consultant, economic consultant, independent inspector, and technical assistance and training consultant.

2. **Community Services Block Grant Performance Management and Accountability System BCP.** The Budget requests position authority for five permanent positions to perform newly required federal mandates, which will become effective FFY 2016. These mandates require annual monitoring of all Community Service Block Grant (CSBG) eligible entities and require CSD to collect and analyze intricate data and report the findings back to the federal awarding agency. This proposal does not require any additional spending authority and will be funded from CSBG federal funds (\$440,000 in 2016-17 and \$421,000 ongoing), which support programs and activities that serve the low-income population of California.
3. **Migrant and Seasonal Farmworkers (MSFW) Drought Emergency Assistance Program BCP.** The Budget requests \$7.5 million General Fund in 2016-17 to continue emergency supportive services for one additional fiscal year to vulnerable, low-income populations, including Migrant and Seasonal Farmworkers (MSFW) and individuals experiencing employment impacts due to the drought disaster. The funds will be used to provide support services, such as rental/mortgage assistance, utility assistance, transportation, food referrals/resources, and job training/placement services.

Staff Recommendation:

Staff recommends holding open all issues under this item to allow for additional review and consideration by the Subcommittee.