

## AGENDA

### ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER TONY THURMOND, CHAIR

WEDNESDAY, MARCH 11, 2015  
1:30 P.M. - STATE CAPITOL ROOM 437

| ITEMS TO BE HEARD |   |    |
|-------------------|---|----|
| ITEM              | DESCRIPTION   |    |
| <b>5180</b>       | <b>DEPARTMENT OF SOCIAL SERVICES</b>  |    |
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### 5180 DEPARTMENT OF SOCIAL SERVICES

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#### ISSUE 1: IN-HOME SUPPORTIVE SERVICES (IHSS) PROGRAM – BUDGET AND PROGRAM REVIEW

- Will Lightbourne, Director, and Eileen Carroll, Deputy Director, Adult Programs Division, California Department of Social Services
  - IHSS Background and Overview of Proposals in the Governor's Budget
- Brandon Nunes and Theresa Pena, Department of Finance
- Rashi Kesarwani, Legislative Analyst's Office

#### ISSUE 2: IHSS – IMPLEMENTATION OF OVERTIME POLICY

- Will Lightbourne, Director, and Eileen Carroll, Deputy Director, Adult Programs Division, California Department of Social Services
  - Update on Implementation of Overtime Policy in IHSS
- Brandon Nunes and Theresa Pena, Department of Finance
- Rashi Kesarwani, Legislative Analyst's Office

#### ISSUE 3: IHSS – RESTORATION OF THE 7 PERCENT ACROSS THE BOARD HOURS REDUCTION

- Will Lightbourne, Director, and Eileen Carroll, Deputy Director, Adult Programs Division, California Department of Social Services
- Mari Cantwell, Chief Deputy Director, Health Care Programs, Department of Health Care Services
  - Description of Governor's Budget Proposal for 7 Percent Restoration
- Joseph Barry, IHSS Consumer, Representing the IHSS Coalition
- Brenda Jackson, IHSS Provider, Alameda County and Member, SEIU United Long Term Care Workers
- Della Lundell, IHSS Provider, Merced County, UDW/AFSCME Local 3930
- Greg Thompson, Executive Director, Personal Assistance Services Council of Los Angeles County
- Deborah Doctor, Legislative Advocate, Disability Rights California

- Brandon Nunes and Theresa Pena, Department of Finance
- Rashi Kesarwani, Legislative Analyst's Office
- **PUBLIC COMMENT WILL BE TAKEN DURING THIS ITEM ON ALL ISSUES IN IHSS (Issues 1-3 of the agenda)**

**ISSUE 4: SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT – BUDGET AND PROGRAM REVIEW AND ADVOCATES' PROPOSALS**

- Will Lightbourne, Director, and Eileen Carroll, Deputy Director, Adult Programs Division, California Department of Social Services
- Rashi Kesarwani, Legislative Analyst's Office
- Mike Herald, representing Californians for SSI
- Carmella Camille, SSI/SSP Recipient, San Francisco County
- Public Comment

**ISSUE 5: ADULT PROTECTIVE SERVICES (APS) – TRAINING PROPOSAL**

- Christina Cotton, APS Supervisor, Alameda County Social Services Agency
- Reaction from Department of Social Services and Department of Finance
- Public Comment

## ITEMS TO BE HEARD

### 5180 DEPARTMENT OF SOCIAL SERVICES

#### ISSUE 1: IN-HOME SUPPORTIVE SERVICES (IHSS) PROGRAM – BUDGET AND PROGRAM REVIEW

##### PANEL

- Will Lightbourne, Director, and Eileen Carroll, Deputy Director, Adult Programs Division, California Department of Social Services
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##### PROGRAM DESCRIPTION

The Governor's Budget includes \$2.4 billion General Fund (\$8.2 billion total funds) for the In-Home Supportive Services (IHSS) program in 2015-16.

The IHSS program provides personal care and domestic services to low-income aged, blind and disabled persons to help them remain safely in their own homes and communities. IHSS is considered an alternative to out-of-home care, such as nursing homes, and is a Home and Community-Based Service. IHSS consists of four subcomponent programs: the Medi-Cal Personal Care Services Program (PCSP), the IHSS Plus Option (IPO) – a Medi-Cal State plan option that replaced the IHSS Plus Waiver Program (IPW), the Community First Choice Option (CFCO), and the IHSS Residual (IHSS-R) program. The IHSS-R program serves individuals who are ineligible for Medi-Cal, but meet the SSI/SSP income standards.

To qualify for PCSP, IPO, and CFCO services, recipients must first meet eligibility requirements for the Medi-Cal program. In order to qualify for IHSS, a recipient must be aged, blind, or disabled and in most cases have income below the level necessary to qualify for SSI/SSP cash assistance. This requirement generally means that the individual is income eligible for Medi-Cal, has a chronic disabling condition, and has an assessed need for services to remain safely at home. The recipients are eligible to receive up to a maximum of 283 hours per month of assistance with tasks such as bathing, dressing, housework, meal preparation, accompaniment to medical appointments, protective supervision for mentally impaired recipients who place themselves at risk for injury, hazard, or accident, and paramedical services when directed by a physician. .

The IHSS program is administered through the counties. 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. Based on authorized hours and services, IHSS recipients are responsible for hiring, firing, and directing their IHSS provider(s). The average number of hours that will be provided to IHSS recipients is projected to be 94 hours per month in 2015–16. About 70 percent of IHSS recipients receive their care from a family member or relative provider. Individuals seeking to become a provider in the IHSS program must undergo a criminal background check, attend a provider orientation, and meet other requirements.

The estimated average annual cost per recipient for IHSS is about \$14,000 (total funds). This number assumes the full-year impact of the 7 percent reduction. For comparison purposes, for 2014-15, the estimated average annual cost per beneficiary for skilled nursing facility (SNF) care is about \$70,000 (total funds). This number is based on estimated fee-for-service utilization and expenditures.

#### CASELOAD

The Governor's budget assumes the average monthly caseload for IHSS in 2015–16 will be 462,648, an increase of 3.7 percent compared to the revised estimate of the 2014–15 average monthly caseload. The IHSS caseload experienced increased growth until policy decisions impacted eligibility and provider access into the program in 2009-10. Since 2010, the caseload has experienced a modest year-over-year increase, as reflected in the current projections.

Under the federal Patient Protection and Affordable Care Act—also known as federal health care reform—about 20,000 individuals, or 4 percent of the IHSS caseload, are projected to receive IHSS as a result of the optional Medi-Cal expansion, with their costs fully paid for by the federal government in 2015–16.

#### PROGRAM COSTS

The Governor's Budget for 2015-16 includes \$300 million (\$152 million General Fund) due to (1) caseload growth of 3.7 percent and (2) higher costs per hour due to the increase in the state-mandated hourly minimum wage from \$9 to \$10 beginning January 1, 2016. A total of 32 counties will be impacted by the minimum wage increase, at a cost of \$68 million (\$34 million General Fund). Because the state enacted the minimum wage increase, the county MOE (discussed further below) is not adjusted to reflect cost increases associated with the new minimum wage.

For nearly all IHSS recipients, the IHSS program is delivered as a benefit of the state-federal Medicaid health services program (Medi-Cal in California) for low-income populations. The IHSS program is subject to federal Medicaid rules, including the federal medical assistance percentage reimbursement rate for California of 50 percent of costs for most Medi-Cal recipients. For IHSS recipients who generally meet

the state's nursing facility clinical eligibility standards, the federal government provides an enhanced reimbursement rate of 56 percent referred to as Community First Choice Option (CFCO). Because of the large share of IHSS recipients eligible for CFCO—about 40 percent of the caseload—the average federal reimbursement rate for the IHSS program is 55 percent. The remaining nonfederal costs of the IHSS program are paid for by the state and counties, with the state assuming the majority of the nonfederal costs.

**County MOE.** Also discussed in the Subcommittee's March 9, 2015 agenda, budget-related legislation adopted in 2012–13 enacted a county MOE, in which counties generally maintain their 2011–12 expenditure level for IHSS, to be adjusted only for increases to IHSS providers' wages (when negotiated at the county level through collective bargaining) and an annual inflation factor of 3.5 percent beginning in 2014–15. Under the county MOE financing structure, the state General Fund assumes all nonfederal IHSS costs above counties' MOE expenditure levels. In 2015–16, the total county MOE is estimated to be about \$1 billion, an increase of \$35 million above the estimated county MOE for 2014–15. To the extent wage increases negotiated at the county level are implemented in the remainder of 2014–15 or in 2015–16, the county MOE will increase by a percentage share of the annual cost of those wage increases.

**Provider Wages.** In 2014-15, there were approximately 385,425 IHSS providers with hourly wages varying by county and ranging from \$9.00 to \$12.44 per hour. Prior to July 1, 2012, county public authorities or nonprofit consortia were designated as "employers of record" for collective bargaining purposes on a statewide basis, while the state administered payroll and benefits. Pursuant to 2012-13 trailer bill language, however, collective bargaining responsibilities in the seven counties participating in the Coordinated Care Initiative (CCI) will shift to an IHSS Public Authority administered by the state. The CCI issue was discussed further in the March 9, 2015 Subcommittee hearing and agenda.

**CMIPS II.** The budget includes reduced funding for CMIPS II of \$53 million (\$27 million General Fund) due to expected completion of: (1) system enhancements for blind and visually impaired IHSS recipients, (2) software upgrades and associated training, and (3) one-time system changes related to assumed implementation of the new federal labor regulations in 2014–15. The CMIPS II IT system stores IHSS case records, provides program data reports, and processes IHSS provider payments.

**Potential Costs in IHSS and Cash Assistance Program for Immigrants (CAPI) Related to President's Immigration Actions.** The Legislative Analyst's Office (LAO) notes that the President's recent executive actions on immigration could result in additional state costs for two human services programs - IHSS and CAPI (the state-funded cash assistance program for immigrants ineligible for SSI/SSP, discussed further under Issue 4 of this agenda). If the actions are ultimately implemented at the federal level, then under existing law some undocumented immigrants may newly qualify for IHSS and/or CAPI fully paid for by the state. The potential fiscal impact of these actions on human services programs is uncertain.

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|-------------------------|
| <b>BUDGET PROPOSALS</b> |
|-------------------------|

The Department of Social Services will provide an overview of the program and budget for IHSS, touching on the issues below, two of which will be covered in further depth under Issues 2 and 3 of this agenda.

- **Implementation of Overtime in IHSS.** The Governor's Budget funds the costs of the overtime changes in the IHSS program adopted as part of the 2014 Budget, to reflect the annualized cost of complying with new federal labor regulations, including funding for: overtime compensation, newly compensable work activities, work limit exceptions for certain parent providers, and administrative costs at the county level. The costs associated with these changes are estimated at \$182.6 million General Fund (\$403.5 million total funds) in 2014-15 and \$314.3 million General Fund (\$707.6 million total funds) annually thereafter. The budget was developed assuming that the regulations would take effect on January 1, 2015. However, a federal court recently invalidated the regulations, and the Department of Labor has appealed the ruling. DSS announced that it was halting the implementation of these changes in the program. This issue is discussed in further depth in Issue 2 of this agenda.
- **Restoration of Current 7 Percent Reduction in IHSS Service Hours.** The Governor's Budget restores the 7 percent across-the-board reduction in IHSS authorized hours of service, effective July 1, 2015, funded with resources generated through the Governor's Managed Care Organization (MCO) tax proposal. The cost to restore the 7 percent is estimated to be \$215.6 million General Fund (\$483.1 million total funds) in 2015-16. The MCP tax will be discussed in depth in a future Subcommittee hearing and agenda. This issue of the 7 percent for IHSS is discussed in further depth in Issue 3 of this agenda.
- **Coordinated Care Initiative Staffing Extension.** The Governor's Budget requests a two-year extension of nine limited-term positions for the continued support and oversight of the Coordinated Care Initiative (CCI) as it relates to the IHSS program, for a cost of \$505,000 General Fund (\$1 million total funds). The CCI proposed to shift 1.2 million seniors and persons with disabilities who are beneficiaries of both Medi-Cal and Medicare (dual eligible) into managed care, integrating all services inclusive of medical care and long-term supports and services (LTSS). These positions would continue to certify managed care agencies, implement and manage the provision of contracts between a managed care health plan and agencies, develop the provider-training curriculum, and revise existing social worker training modules for compliance with new managed care requirements. IHSS issues in the CCI were discussed in more depth in the March 9, 2015 hearing of the Subcommittee. Please see that agenda for additional background.

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**Staff Recommendation:**

Staff recommends holding all issues apart from those agendized for possible action by the Subcommittee open in IHSS.

**ISSUE 2: IHSS – IMPLEMENTATION OF OVERTIME POLICY****PANEL**

- Will Lightbourne, Director, and Eileen Carroll, Deputy Director, Adult Programs Division, California Department of Social Services
  - Update on Implementation of Overtime Policy in IHSS
- Brandon Nunes and Theresa Pena, Department of Finance
- Rashi Kesarwani, Legislative Analyst's Office

**OVERTIME IMPLEMENTATION UPDATE**

**Background.** In 2013, the federal Department of Labor (DOL) issued revised regulations related to the Fair Labor Standards Act (FLSA) affecting the home care industry, resulting in impacts on the state's IHSS program and the Department of Developmental Services (DDS). Under these new labor regulations (originally set to take effect on January 1, 2015), the state is required to make the following changes to the IHSS program: (1) provide overtime compensation, at one-and-a-half times the regular pay rate, to IHSS providers for hours that exceed 40 in a work week, and (2) make payments for newly compensable work activities of IHSS providers, including wait time during medical appointments and commute time under certain circumstances. The 2014 budget-related legislation generally restricts IHSS providers to working no more than 66 hours per week. For DDS, the state is required to provide funding to enable home care vendors to provide overtime compensation to their employees.

**Current Year Updates for Overtime.** The Governor's budget updates 2014-15 estimated expenditures for overtime-related costs in IHSS and DDS to a total of \$459 million (\$212 million General Fund). This is an increase of \$48 million (\$30 million General Fund) above the 2014-15 enacted budget appropriation, primarily due to adjustments for IHSS administrative costs at the county level and CMIPS II system changes.

The Governor's budget updates 2014-15 estimated expenditures for overtime-related IHSS costs, including a total of \$439 million (\$200 million General Fund) to fund the following: overtime compensation, newly compensable work activities, administrative costs at the county level, and CMIPS II system changes. The LAO notes that the total estimated cost for FLSA compliance also includes an administration proposal to provide work limit exceptions to certain parent providers of IHSS recipients at an estimated cost of \$2 million (\$985,000 General Fund) in 2014-15. This exception would allow certain parent providers to exceed the work limit of 66 hours per week. As addressed in the March 4, 2015 Subcommittee agenda for DDS, the Governor's budget



updates 2014–15 estimated expenditures for overtime–related DDS costs, providing \$21 million (\$11 million General Fund) to increase the rates paid to vendors that provide in–home care to individuals with developmental disabilities. The additional funding is intended to enable home care vendors to provide overtime compensation to their employees.

**Governor’s Budget for 2015-16 for Overtime.** The 2015–16 proposed budgets for IHSS and DDS provide a total of \$758 million (\$342 million General Fund) to annualize the cost of complying with the new labor regulations. Below, we provide a breakdown of these costs.

The 2015–16 proposed budget for IHSS annualizes the cost of complying with the new labor regulations, including a total of \$717 million (\$319 million General Fund). This amount includes about \$1 million (\$513,000 General Fund) for a total of eight positions—four new limited–term positions and the extension of four CMIPS II limited–term positions—at DSS to address workload related to implementation of the new federal labor regulations. The 2015–16 proposed budget for DDS annualizes the cost of complying with the new labor regulations, including \$41 million (\$22 million General Fund) to increase the rates paid to home care vendors to enable them to provide overtime compensation to their employees.

The figure below from the LAO provides a breakdown of FLSA–related costs budgeted for IHSS and DDS in 2014–15 and 2015–16.

|   | 2014–15 Estimated |                | 2015–16 Proposed |                |
|---|-------------------|----------------|------------------|----------------|
|   | General Fund      | Total Funds    | General Fund     | Total Funds    |
| <b>IHSS</b>                                       |                   |                |                  |                |
| Overtime compensation                             | \$87.6            | \$200.8        | \$166.4          | \$385.2        |
| Newly compensable work activities                 | 69.7              | 152.2          | 146.2            | 319.1          |
| Work limit exception for certain parent providers | 1.0               | 2.1            | 2.0              | 4.4            |
| Administrative costs at the county level          | 25.3              | 50.4           | 1.7              | 3.3            |
| DSS staffing request                              | —                 | —              | 1.0              | 0.5            |
| Subtotals   | (\$183.6)         | (\$405.6)      | (\$317.3)        | (\$712.5)      |
| CMIPS II system changes                           | \$16.7            | \$33.0         | \$2.0            | \$4.0          |
| <b>IHSS Totals</b>                                | <b>\$200.3</b>    | <b>\$438.6</b> | <b>\$319.3</b>   | <b>\$716.6</b> |
| <b>DDS</b>  |                   |                |                  |                |
| Rate increase for home care vendors               | \$11.3            | \$20.7         | \$22.4           | \$41.4         |
| <b>Grand Totals</b>                               | <b>\$211.6</b>    | <b>\$459.3</b> | <b>\$341.7</b>   | <b>\$758.0</b> |

FLSA = Fair Labor Standards Act; IHSS = In–Home Supportive Services; DDS = Department of Developmental Services; DSS = Department of Social Services; and CMIPS = Case Management, Information and Payrolling System.

**Court Ruling Blocks Regulations After Budget Developed.** In a lawsuit brought by associations of home care companies, a federal district court recently ruled that DOL overreached its rulemaking authority when it promulgated the revised FLSA regulations for the home care industry. Effectively, the court ruling invalidates the DOL's new regulations, removing any requirement for the state to (1) provide funding for overtime compensation for IHSS and DDS, and (2) provide payments for wait and commute time for IHSS providers.

The DOL had appealed the federal court ruling and a court date is now set for May 7, 2015. It is therefore uncertain as to whether the federal labor regulations will eventually go into effect, requiring the state to implement overtime compensation for IHSS and DDS, make the wait and commute time payments for IHSS, and complete the CMIPS II system changes needed to fully conform with the new regulations and related rules specified in 2014 budget-related legislation.

**CMIPS II Related Changes.** The Case Management, Information and Payrolling System (CMIPS) II is the newly implemented IT system that stores IHSS case records, provides program data reports, and processes IHSS provider payments. In order to comply with the new federal labor regulations, CMIPS II system changes would be needed to process overtime compensation and payments for newly compensable work activities, and provide other needed capabilities. Most CMIPS II system changes have already been completed in preparation for the assumed implementation of the new federal labor regulations beginning January 1, 2015. The total estimated overtime-related project cost is \$37 million (\$19 million General Fund) over 2014-15 and 2015-16.

**Resource Request for IHSS Overtime Implementation for FLSA and CMIPS II.** The Budget requests four new two-year limited-term positions to enable the implementation of recent changes to the IHSS program related to the impact of the federal FLSA and SB 855, Chapter 29, Statutes of 2014. This request also seeks the two-year extension of four existing limited-term positions assigned to support the Case Management, Information and Payrolling System (CMIPS) II project as it continues in its Maintenance and Operations (M&O) phase and works through a backlog of special service requests from counties. The administration has asked for the Budget Change Proposal (BCP) to continue to be considered despite the halting of the state program changes for FLSA due to the aforementioned court decision. The costs for the eight staff resources in 2015-16 is \$513,000 General Fund (\$1 million total funds).

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**Staff Recommendation:**

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Staff recommends the Subcommittee's approval of proceeding with the implementation of overtime as is currently prescribed by state law and funded in the Governor's Budget. Conforming changes are also adopted for the DDS budget, where overtime is funded for certain types of services. Staff also recommends adoption of placeholder trailer bill language to remove any perceived barriers to the state implementing overtime and the approval of the DSS BCP related to FLSA implementation and CMIPS II changes.

**ISSUE 3: IHSS – RESTORATION OF THE 7 PERCENT ACROSS THE BOARD HOURS REDUCTION****PANEL**

- Will Lightbourne, Director, and Eileen Carroll, Deputy Director, Adult Programs Division, California Department of Social Services
- Mari Cantwell, Chief Deputy Director, Health Care Programs, Department of Health Care Services
  - Description of Governor’s Budget Proposal for 7 Percent Restoration
- Joseph Barry, IHSS Consumer, Representing the IHSS Coalition
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- Deborah Doctor, Legislative Advocate, Disability Rights California
- Brandon Nunes and Theresa Pena, Department of Finance
- Rashi Kesarwani, Legislative Analyst’s Office
- **PUBLIC COMMENT WILL BE TAKEN DURING THIS ITEM ON ALL ISSUES IN IHSS (Issues 1-3 of the agenda)**

**7 PERCENT REDUCTION AND RESTORATION PROPOSAL**

**Background.** Several previously enacted IHSS program reductions—intended to realize ongoing General Fund savings and initiated during a period of budget deficits—were not implemented because the reductions were challenged in class-action lawsuits and subsequently enjoined on a preliminary basis by court orders while the lawsuits proceeded. The three enacted-but-enjoined reductions included:

1. Establishing a stricter threshold of need to receive IHSS (challenged in *Oster v. Lightbourne, et al.*, commonly referred to as Oster I)
2. Reducing IHSS hours by 20 percent (challenged in *Oster v. Lightbourne, et al.*, commonly referred to as Oster II), and
3. Reducing state participation in IHSS provider wages and benefits (challenged in *Dominguez v. Brown, et al.*)

In March 2013, the Department of Social Services (DSS) and Department of Health Care Services (DHCS) reached a settlement agreement with plaintiffs that would resolve the lawsuits by repealing the three enjoined reductions and implementing a new reduction plan intended to realize some General Fund savings while lessening the magnitude of service cuts. The settlement agreement was enacted in Senate Bills 67 and 68 (Chapters 4 and 5, Statutes of 2013). The bills authorized an eight-percent across-the-board reduction to recipient hours, which was an increase of 4.4 percent on top of the 3.6 percent reduction that has been in effect since 2010-11, to begin July 1, 2013 and to last for one year.

**7 Percent Reduction in 2014-15.** In 2014-15, and on an on-going basis, there would be a reduction of seven percent, unless it is partially or fully "triggered off" by the state obtaining federal approval for an assessment on home care services that draws down federal funds. The bill also repealed the prior reductions to services, hours, and provider wages that were the subject of the legal settlement.

**Proposed Restoration of Service Hours From 7 Percent Reduction.** The Governor's Budget proposes to use revenue from a restructured managed care organization (MCO) tax in the amount of \$216 million to provide the nonfederal share of funding needed to restore service hours from the 7 percent reduction enacted in 2013-14. The total cost to restore service hours from the 7 percent reduction is estimated to be \$483 million in 2015-16. The MCO proposal will be discussed in more depth in a future Subcommittee agenda and hearing.

**Advocacy to Restore the 7 Percent.** Among others, the IHSS Coalition, including 49 organizations representing IHSS consumers, providers, and advocates has written urging the Legislature to restore the 7 percent cut to IHSS hours. The Coalition states that a consumer assessed as needing the average number of ours lost six of those hours, and a consumer needing the maximum number of hours, 283, lost 20 hours, due to the across-the-board cut. The Coalition states that the need didn't go away, but the help did.

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**Staff Recommendation:**

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Staff recommends approval of restoration of the 7 percent reduction in hours effective July 1, 2015. This action is supported by the presumed proceeds of the MCO tax as reconstructed in the Governor's budget, but is not contingent on the MCO changes as included therein.

**ISSUE 4: SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT – BUDGET AND PROGRAM REVIEW AND ADVOCATES' PROPOSALS****PANEL**

- Will Lightbourne, Director, and Eileen Carroll, Deputy Director, Adult Programs Division, California Department of Social Services
- Rashi Kesarwani, Legislative Analyst's Office
- Mike Herald, representing Californians for SSI
- Carmella Camille, SSI/SSP Recipient, San Francisco County
- Public Comment

**PROGRAM BACKGROUND AND COSTS**

The Supplemental Security Income/State Supplementary Payment (SSI/SSP) program provides a monthly cash benefit to enable needy aged, blind, and disabled people to meet their basic living expenses for food, clothing, and shelter. The state's General Fund provides the SSP portion of the grant while federal funds pay for the SSI portion of the grant. The 2015-16 Governor's Budget includes \$10.1 billion (\$7.3 billion federal funds, \$2.8 billion General Fund) for the SSI/SSP program.

To be eligible for SSI/SSP, a person must be at least 65 years old, blind, or disabled (including blind or disabled children). A qualified recipient must file an application with the Social Security Administration (SSA). Federal criteria are used to determine eligibility. A qualified SSI recipient is automatically qualified for SSP. To be eligible for SSI and maintain eligibility, a person must meet certain income and resource requirements.

Total spending for SSI/SSP grants—including General Fund and federal expenditures (which are not passed through the state budget)—has increased by about \$1.1 billion—or 12 percent—between 2007–08 and 2015–16. As this spending is less than the rate of inflation over this time period (roughly 14 percent), total spending has decreased slightly in real terms.

**CASELOAD**

Caseload is estimated to be 1.31 million recipients in 2015-16, a 0.6 percent increase over the 2014-15 caseload. The SSI/SSP caseload consists of 27 percent aged, 2 percent blind, and 71 percent disabled persons. In the period from 2007–08 to the budget proposed for 2015–16, the SSI/SSP caseload has grown from 1,235,932 individuals to an estimated 1,310,977 individuals, or an increase of 6.1 percent.

**CASH ASSISTANCE PROGRAM FOR IMMIGRANTS**

The Cash Assistance Program for Immigrants (CAPI) provides benefits to aged, blind, and disabled legal immigrants. The CAPI benefits are equivalent to SSI/SSP program benefits, less \$10 per individual and \$20 per couple. The CAPI recipients in the base program include immigrants who entered the United States (U.S.) prior to August 22, 1996, and are not eligible for SSI/SSP benefits solely due to their immigration status; and those who entered the U.S. on or after August 22, 1996, but meet special sponsor restrictions (have a sponsor who is disabled, deceased, or abusive). The extended CAPI caseload includes immigrants who entered the U.S. on or after August 22, 1996, who do not have a sponsor or have a sponsor who does not meet the sponsor restrictions of the base program.

**GOVERNOR'S BUDGET**

The Governor's Budget passes through the federal cost-of-living adjustment (COLA) for SSI/SSP recipients, 1.7 percent for 2015 and a projected 1.5 percent for 2016. These changes keep the SSI/SSP grant levels at their minimum as allowed under federal law for both couples and individuals in order to maintain eligibility for Medicaid funding. Effective January 2015, maximum grant levels are \$881 per month for an individual and \$1,483 per month for couples.

**GRANTS AND COLAS**

The maximum amount of aid is dependent on the following factors:

- Whether one is aged, blind, or disabled;
- The living arrangement;
- Marital status; and,
- Minor status.

The SSA applies an annual cost-of-living adjustment (COLA) to the SSI portion of the grant equivalent to the year-over-year increase in the Consumer Price Index (CPI). As part of the 2009-10 Budget agreement, state COLAs for SSI/SSP beneficiaries were indefinitely suspended, and depend upon future statutory authorization. This occurred after many years of COLA suspension, whereby SSI/SSP grants were reduced to

minimal levels. As part of the 2011-12 Budget, the state chose to reduce the SSP standard of the SSI/SSP program to the federally required MOE level of the 1983 payment standards for individuals only. Prior actions had reduced the grant levels for couples to the MOE floor, leaving some margin on the grants for individuals given their level of poverty. The MOE refers to a federal provision that limits the reduction a state can make to their SSP benefit levels without penalty. If a state were to reduce its SSP benefit levels below MOE levels, it would lose federal funding for Medi-Cal.

The chart below from the LAO displays the maximum monthly SSI/SSP grant for individuals and couples in 2007–08, as compared to proposed grant levels for 2015–16. Reflecting SSP grant reductions and the suspension of the state COLA, the combined SSI/SSP maximum monthly grant for individuals and couples has declined significantly as a percentage of FPL over the nine–year period. After adjusting for inflation, the maximum combined SSI/SSP grant proposed for 2015–16 for individuals represents roughly \$85 (9.8 percent) less purchasing power than was provided in 2007–08 and for couples represents roughly \$204 (13.4 percent) less purchasing power than was provided in 2007–08.

#### SSI/SSP Maximum Monthly Grants Pre- and Post-Recession

|                                  | 2007–08        | 2015–16<br>Proposed |
|----------------------------------|----------------|---------------------|
| <b>Maximum Grant—Individuals</b> |                |                     |
| SSI                              | \$637          | \$733               |
| SSP                              | 233            | 156                 |
| <b>Totals</b>                    | <b>\$870</b>   | <b>\$889</b>        |
| Percent of FPL                   | 102.3%         | 90.7%               |
| <b>Maximum Grant—Couples</b>     |                |                     |
| SSI                              | \$956          | \$1,100             |
| SSP                              | 568            | 396                 |
| <b>Totals</b>                    | <b>\$1,524</b> | <b>\$1,496</b>      |
| Percent of FPL                   | 133.6%         | 112.7%              |

FPL = federal poverty level.

**ADVOCATES' PROPOSALS**

Many advocates have written with requests for the Subcommittee to consider an augmentation to the SSI/SSP grants to restore the losses due to past cuts and to reinstitute the SSI/SSP COLA. Some of these advocates write that since 1989-90 the purchasing power of the individual SSI/SSP grant has declined by 32 percent, and that the grant is worth just 90.7 percent of the federal poverty level. If the grant cuts had not occurred and the COLAs applied each year, the SSI/SSP grant for individuals would be worth 106.7 percent of the federal poverty level. The effect of the grant cuts and the repealing of the COLAs was to push 1 million blind, aged and disabled Californians below the federal poverty level.

These advocates from numerous organizations, including the California Association of Food Banks, Western Center on Law and Poverty, Senior Services Coalition, and Coalition of California Welfare Rights Organizations, urge the reinstatement of the SSI/SSP COLA and urge greater attention to the grant levels in social service benefits programs to combat California's extremely high poverty rate.

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**Staff Recommendation:**

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Staff recommends holding the SSI/SSP issues open.



**ISSUE 5: ADULT PROTECTIVE SERVICES – TRAINING PROPOSAL****PANEL**

- Christina Cotton, APS Supervisor, Alameda County Social Services Agency
- Reaction from Department of Social Services and Department of Finance
- Public Comment

**TRAINING PROPOSAL**

The County Welfare Directors Association of California (CWDA), California Elder Justice Coalition and California Commission on Aging request consideration and support of a budget item to increase statewide capacity in the Adult Protective Services (APS) program to protect and serve seniors and dependent adults who are victims of abuse, neglect and exploitation. Specifically, these advocates request consideration to provide \$5 million General Fund for a statewide training system for APS staff, and to codify a staffing position established in the 2014-15 budget under DSS to provide leadership and support to county APS programs. The advocates states that this will create a statewide, consistent APS training program infrastructure to provide core training to all new APS staff, supervisor training, and advance training driven by new policy and emerging trends. This level of training would be consistent with the child welfare services training infrastructure. Additionally, this level of funding would ensure access to mandated training for mandated reporters, as well as training coordination with public guardians/conservators/ administrators who together protect our most vulnerable senior population.

**Background on APS.** California's APS programs provide 24/7 emergency response to reports of abuse and neglect of elders and dependent adults. APS social workers deliver critical, often life-saving, services in a variety of abuse and neglect situations, including financial abuse. These social workers conduct in-person investigations on complex cases, often in coordination with local law enforcement, and leverage other system supports on behalf of victims including legal aid programs, the judiciary, and long-term care services. APS social workers must be adept at helping victims and their families to navigate other systems such as conservatorships and to local aging programs for needed in-home services. Their efforts often enable elders and dependent adults to remain safely in their homes and communities, thus avoiding costly institutional placement into nursing homes.

**APS Funding and Training Today.** The APS program was primarily a state-funded program until 2011, when the program was realigned and counties now have the 100 percent fiscal responsibility for the program. However, DSS retained program oversight and regulatory and policy making responsibilities for the program. This included responsibility for funding and supporting the statewide training of APS workers in order to ensure consistency. DSS currently contracts with local universities to deliver this training. Unfortunately, training for county APS workers has not kept up with caseload and demand, and as a result, training for APS workers and their partner agencies is woefully underfunded. Currently only \$88,000 State General Fund (\$176,000 total funds) is allocated to CDSS for statewide APS training. These funds have not been increased for the past 10 years, despite the fact that APS cases rose by 35 percent between 2001 and 2013 throughout California. At this funding level, it is not possible to provide adequate training for APS staff – leaving workers often under-prepared as they go into the field to protect vulnerable seniors and dependent adults.

Training for APS workers is critical to meet our statutory statewide mandates to respond to reports of abuse and neglect and to protect vulnerable seniors and dependent adults. Unlike the Child Protective Services (CPS) program, the APS program completely lacks a training infrastructure to provide core training to all new APS social workers, advanced training for seasoned workers, specialized training for APS Supervisors, and new curricula to address emerging trends and legislative mandates.

**Aging Demographics.** The advocates state that nationally, the passage of the Elder Justice Act calls for the creation of a structure for administering national and state elder justice programs. California's over age 65 population is projected to grow significantly, increasing from 4.2 million in 2010 to more than 6 million by 2020 and will double to 8.4 million by 2030. The oldest demographic, those 85 and older, will grow by 143 percent between 1990 and 2020 and will continue to increase through 2030. Of those 85 and older, an estimated 32 percent have Alzheimer's disease, with the highest prevalence of Alzheimer's among those 75 to 84 years of age (44 percent). County APS must increase its capacity to meet the expected corresponding increase in elder abuse and neglect cases.

**APS Position in the 2014 Budget.** The 2014 budget includes funding for one staffing position under DSS to assist with APS coordination and training. The advocates request that the Legislature codify the responsibilities for this staff person, to include engagement with county APS and other elder and dependent adult justice stakeholders to develop policies and guidelines that support local APS programs in meeting existing mandates, respond to opportunities to build APS infrastructure and expand resources, and promote optimal outcomes for seniors and dependent adults.

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**Staff Recommendation:**

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Staff recommends holding this issue open.