

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

Assemblymember Hector De La Torre, Chair

WEDNESDAY, MARCH 29, 2006, 1:30PM
STATE CAPITOL, ROOM 444

ITEMS TO BE HEARD

ITEM	DESCRIPTION	PAGE
5180	DEPARTMENT OF SOCIAL SERVICES	
ISSUE 1	SSI/SSP FEDERAL COST OF LIVING ADJUSTMENT	2
ISSUE 2	CASH ASSISTANCE PROGRAM FOR IMMIGRANTS (CAPI) DEEMING	4
ISSUE 3	UPDATE ON FOOD BANK PROGRAMS	7
ISSUE 4	FOOD STAMP PROGRAM UTILIZATION UPDATE	9
ISSUE 5	STATEWIDE FINGERPRINT IMAGING SYSTEM	11
ISSUE 6	ELIMINATION OF COST OF DOING BUSINESS TRAILER BILL LANGUAGE	13
4700	DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT	
ISSUE 7	NATURALIZATION SERVICES PROGRAM	15
ISSUE 8	LIHEAP AND SOLAR WEATHERIZATION UPDATE	17
4170	DEPARTMENT OF AGING	
ISSUE 9	MULTIPURPOSE SENIOR SERVICE PROGRAM	20
ISSUE 10	SENIOR LEGAL HOTLINE	22

ITEM TO BE HEARD

ITEM 5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE #1: SSI/SSP FEDERAL COST OF LIVING ADJUSTMENT

The Governor's budget proposes to delay a 2007 federal COLA for SSI/SSP grants until July 2008.

BACKGROUND:

The Governor proposes to further delay the pass-through of the federal January 2007 COLA until July 2008. This would increase the savings from \$48 million to \$94.9 million in 2006-07 and save about \$185 million on a full-year basis in 2007-08. Under current law, the total grant for an individual would increase from \$836 to \$850 per month starting April 2007. Under the Governor's proposal, the total grant would remain at \$836 per month, with the federal portion increasing by \$14 per month offset by the SSP portion dropping by \$14, or 6 percent. In December 2005, there were 356,825 aged, 21,545 blind, and 825,584 disabled SSI/SSP recipients.

Typically, both the federal and State grant payments for SSI/SSP recipients are adjusted for inflation each January, pursuant to state and federal law. The COLAs are funded by both the federal and state governments. The State COLA is based on the California Necessities Index and is applied to the combined SSI/SSP grant. The federal COLA (based on the Consumer Price Index for Urban Wage Earners and Clerical Workers) is applied annually to the SSI portion of the grant. The remaining amount needed to cover the state COLA on the entire grant is funded with state monies.

BUDGET YEAR STATE COLA SUSPENDED AND FEDERAL COLA DELAYED UNTIL APRIL 1ST:

Last year's budget suspended the January 2006 and January 2007 state COLAs. In addition, the legislation delayed the effective pass-through of the federal January 2006 and January 2007 COLA until April 2006 and April 2007 respectively. (State savings from delaying the federal COLAs are achieved by reducing the state funded SSP portion of the grant by an amount equal to the federal COLA increase in the SSI portion of the grant.) Compared to the requirements of prior law, these COLA suspensions and delays result in savings of about \$148 million in 2005-06 and \$229 million in 2006-07.

PANELIST:

Department of Social Services

Michael Herald
Western Center on Law and Poverty

STAFF COMMENT:

The SSI/SSP COLA changes represent one of the most significant long-term budget reductions adopted by during 2005-06 to address the structural deficit.

The Senate Budget Committee rejected the proposed delay of the federal SSI COLA on January 26, 2006.

ISSUE #2: CASH ASSISTANCE PROGRAM FOR IMMIGRANTS (CAPI) DEEMING

The Governor's budget proposes to extend the deeming period for the CAPI program from 10 years to 15 years.

BACKGROUND:

Non-citizen eligibility for public assistance and the responsibility of sponsors of immigrants have been federal issues for decades. Prior to August 22, 1996, many non-citizens were eligible for Supplemental Security Income (SSI), a nationwide, means-tested public assistance program designed to provide a minimum floor of income to aged, blind, and disabled individuals. Eligibility for SSI is based on income and resources below levels specified in Title XVI of the Social Security Act. To be eligible for SSI, an individual must be a resident of the United States (U.S.) and be a citizen of the U.S., a U.S. national, or a qualified alien in a SSI-eligible non-citizen category. California supplements the federal SSI program with its own SSP cash grant program, which is state funded. Basic eligibility criteria for SSI and SSP are the same, and both benefits are paid and administered together as one payment by the Social Security Administration.

On August 22, 1996, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law (P.L.) 104-193) included changes in social security and immigration laws that narrowed the eligibility of SSI for non-citizens and established a new definition of "qualified alien." This legislation, along with subsequent changes in SSI eligibility for non-citizens in the Balanced Budget Act of 1997, gave rise to California's Cash Assistance Program for Immigrants (AB 2779, Chapter 329, Statutes of 1998). The CAPI program is 100 percent state funded and is administered by local county welfare departments.

Each CAPI recipient falls into one of four categories:

1. *Qualified Alien*. This CAPI category includes non-citizens who entered the U.S. prior to August 22, 1996, meet the federal definition of qualified alien, and are age 65 or older.
2. *Non-Qualified Alien*. Non-qualified aliens are non-citizens who entered the U.S. prior to August 22, 1996 and meet the previous SSI/SSP Permanently Residing Under Color of Law requirements, but not the federal definition of qualified alien. A very small number of CAPI recipients (0.4%) fall under this definition.
3. *Sponsored Alien*. Sponsored aliens are legal immigrants who entered the U.S. on or after August 22, 1996, and the sponsor is deceased or disabled, or the immigrant is a victim of abuse by either the sponsor or sponsor's spouse.
4. *Extended CAPI*. Extended CAPI aliens are non-citizens who entered the U.S. on or after August 22, 1996, who do not meet the sponsor restrictions in the sponsored alien category, but meet either the federal definition of a qualified

alien or the previous SSI/SSP Permanently Residing Under Color of Law requirements.

About 42 percent of the current caseload CAPI are Qualified Aliens—immigrants that arrived prior to August 22, 1996 and are not subject to deeming requirement. Currently, non-citizens arriving after 1996 represent about 58 percent of the caseload.

Most elderly and disabled immigrants that arrived after 1996 can only qualify for Extended CAPI, where the State counts the income of the sponsor of the immigrant as belonging to the immigrant when calculating the eligibility for CAPI (unless the immigrant qualifies for one of the deeming exceptions, such as the sponsor's death, abuse, or abandonment of the CAPI applicant). The proposed change would extend this time period by an additional five years. The Governor's Budget assumes that the State will save \$12.5 million in FY 06-07 and \$40 million in FY 07-08 from the proposed deeming extension. Extended CAPI represents about 58 percent of the total CAPI caseload.

With the deeming provision, the overall income of the applicant and the sponsor must be extremely low to qualify for the program. Under current law, a typical CAPI applicant and their sponsor must have a countable income of less than \$826 per month (\$1452 for couples) and not have assets above \$4,000 for an individual (\$5,000 for a couple) for the CAPI applicant to qualify for the program. Currently \$603 per month of a sponsor's income for the CAPI applicant (plus a portion for each dependent) can be excluded, and \$2,000 of a sponsor's resources (\$3,000 for couples) can be excluded from the balanced deemed to the immigrant.

If the deeming provision is not changed, the budget year would be the first year in which some Extended CAPI applicants could apply for the program without a deeming requirement. As a result, there has been some disagreement about how many applicants would be eligible in the budget year if the deeming provision is not extended. The Department of Social Services (DSS) assumes 250 additional cases would be eligible each month if the ten-year deeming period were to remain in effect. However, some advocates and county welfare departments have argued that this caseload is too high given the aggressive citizenship training and SSI Advocacy efforts undertaken over the last ten years.

PANELIST:

Department of Social Services

Vivian Huang
AACRE

STAFF COMMENT:

The Subcommittee previously heard this issue on March 1, 2006.

The CAPI caseload as a whole has declined over the last several years. This suggests that the comments made by advocates and counties about the effect of advocacy efforts on this caseload may be valid.

ISSUE #3: UPDATE ON FOOD BANK PROGRAMS

The Subcommittee will receive an update on the status of food bank programs.

BACKGROUND:

California's food bank network of about 60 food banks provides 5,000 non-profit agencies with over 200 million pounds of food each year to 2 million families and individuals.

More than 25,000 volunteers support the food bank network. Due to the high levels of community support, broad base of volunteers and industry support, food banks typically leverage approximately \$10 worth of food for every dollar received. Food banks recover food from growers and producers that would otherwise be lost. They work to redistribute scarce resources and identify surpluses in one region of the state that can be transferred to regions where there are food deficits. Food banks are very diverse -- some are very large facilities that warehouse and distribute many millions of pounds of food each year, while others are smaller, more rural operations. About 20 food banks in California are members of the national America's Second Harvest network.

EMERGENCY FOOD ASSISTANCE PROGRAM:

DSS's Emergency Food Assistance Program (EFAP) provides emergency food supplies to low and no-income households and individuals, as well as congregate feeding sites such as soup kitchens. Of the approximately 60 local food banks in the state, EFAP contracts with 49 food banks to distribute commodities donated by the Department of Agriculture and fresh and packaged produce donated by California's food growers, packers and processors.

Annually, through its network of 2,300 distribution sites staffed by over 5,000 volunteers, this program distributes 85 million pounds of food to more than 1 million recipients. In addition, over 160 congregate feeding agencies throughout the state use emergency food supplies to prepare and serve more than 350,000 meals each week for California's homeless.

FUNDING:

EFAP receives federal funding that it passes along to the food banks to be used for their administration, storage, and distribution costs. In FY 2005/06, of the \$7.2 million total dollars received from the US Department of Agriculture in federal administrative funding, \$3,820,000 was distributed among the food banks. In addition, EFAP contracts with California Emergency Foodlink (CEF), a non-profit organization, to provide statewide storage and distribution of USDA commodities and California Donate/Don't Dump Program commodities to the 49 food banks. EFAP funds CEF with \$2,865,000 for these storage and distribution services.

The EFAP program received a 6.5 percent reduction at the federal level in the current year. The following chart depicts the amount of USDA administrative funding received in California over the past two years and how it was allocated.

	<u>FY 04/05</u>	<u>FY 05/06</u>
Food Banks	\$4.0 million	\$3.8 million
CA Emergency Foodlink	\$3.0 million	\$2.9 million
EFAP Administrative Costs	<u>\$0.5 million</u>	<u>\$0.5 million</u>
TOTAL	\$7.5 million	\$7.2 million

The State share for EFAP is a fixed \$500,000 maintenance of effort which supports the administrative costs of the program. The Governor's budget assumes the current year level of funding is maintained in the budget year.

STAFF COMMENT:

The EFAP program is a very efficient mechanism of distributing food to low income families in California. In previous years, the Subcommittee has attempted to increase the amount of funding to address the increased operational needs of food banks. The food banks have also looked for new ways to increase their ability to serve more individuals with more food at the lowest possible cost through both budget items and legislation.

ISSUE #4: FOOD STAMP PROGRAM UTILIZATION UPDATE

Recent State policy changes have increased food stamp utilization, but the State still could improve.

BACKGROUND:

The Food Stamp Program is a federally funded program that helps low-income people buy the food they need for good health. For most households, food stamps are only part of their food budget--they must spend some of their own cash along with their food stamps benefits in order to buy enough food for a month. The federal government pays for 100 percent of the cost of the food stamps, but the State has a share of the food stamp administrative expenses.

Only 45% of eligible Californians receive food stamps. There has been much debate about why this rate is so low. Some advocates cite restrictive program requirements as a primary barrier to eligibility. Over the last five years, the Legislature has taken action through both legislation and the budget to reduce some of these barriers and currently continues to consider additional actions to reduce the administrative complexity of the program.

The Department of Social Services has also pointed out that many Californians are only eligible for a very small Food Stamp voucher amount. For these individuals, the time and effort needed to apply for these small vouchers is not worth the very small monthly amount they would receive.

STATE DATA SHOWS IMPROVEMENT:

The chart, provided by DSS, illustrates recent growth in the Food Stamps caseload. This increase is mostly due to a 42 percent increase in the non-assisted caseload since 2002, since the assisted (cases also getting CalWORKs) caseload has declined since 1999 and has remained relatively flat.

Food Stamp -Assistance and Non Assistance				
	Total Households	% Change	Total Persons	% Change
FY99-00	689,111		1,873,089	
FY 00-01	636,521	-7.6%	1,711,503	-8.6%
FY 01-02	646,262	1.5%	1,706,642	-0.3%
FY 02-03	654,441	1.3%	1,697,943	-0.5%
FY 03-04	714,190	9.1%	1,817,616	7.0%
FY 04-05	780,842	9.3%	1,985,726	9.2%
FY05-06 (Projection)**	829,709	6.3%	2,094,163	5.5%
FY06-07 (Projection) *	877,300	5.7%	2,209,627	6.6%

** November 05 Subvention Forecast

ABAWD WAIVER:

Last year, the Subcommittee adopted Trailer Bill Language to simplify the ABAWD (Able Bodied Adults Without Dependents) waiver process so that counties could opt out of a waiver instead of the old process that required counties to request a waiver. This year, 37 counties of 39 eligible counties will receive an ABAWD waiver. This is a very dramatic increase from last year, when only 20 of 30 eligible counties received a waiver.

The Department reports that it will attempt to utilize any potential federal changes that may allow for two-year waivers for some counties or even regional waivers that would include multiple counties at once.

PANELISTS:

Char Lee Metsker
Department of Social Services

George Manalo-LeClair
California Food Policy Advocates

STAFF COMMENT:

Food Stamp vouchers are 100 percent federally funded. The only cost for the State in providing food stamps is a share of the administration of the program.

ISSUE #5: STATEWIDE FINGERPRINT IMAGING SYSTEM

The Governor's Budget contains \$8 million General Fund to maintain the Statewide Fingerprint Imaging System (SFIS).

BACKGROUND:

The Governor's Budget contains \$8 million General Fund to maintain the Statewide Fingerprint Imaging System (SFIS).

The 1996 Social Services Budget Trailer Bill required applicants and recipients of CalWORKs or Food Stamps benefits to be fingerprinted as a condition of eligibility. As a result, the Department of Social Services adopted regulations that require the following groups to be both fingerprinted and photographed in order to receive benefits:

1. Parents and caretaker relatives of the child that live in the home of the child.
2. Parents and caretaker relatives applying for aid on the basis of an excluded child.
3. Aided adults.
4. Aided applicant pregnant women.

In addition, in some California counties, undocumented adults are required to be photographed and fingerprinted as a condition for an eligible family member to receive CalWORKs or Food Stamp benefits. Undocumented adult family members are not eligible for Food Stamps, CalWORKs or the California Food Assistance Program. According to advocates, if an undocumented adult refuses to be photographed and fingerprinted, the entire family can face sanctions or be denied eligibility.

The original justification for the SFIS program is based upon a pilot program in Los Angeles County called AFFIRM. A 1997 evaluation of the AFFIRM program showed that fingerprinting all welfare clients would save an estimated net 65 million per year in Los Angeles County alone by preventing 85 million in welfare fraud.

SFIS is designed to prevent "Multiple Case Fraud" when an individual receives multiple aid payments by applying for benefits using different identities or residency in multiple counties.

The California State Auditor has conducted an audit of the SFIS system. Among the findings of the auditor:

- DSS implemented SFIS without determining the extent of duplicate-aid fraud throughout the State.
- DSS estimated statewide savings from SFIS based upon an evaluation of LA County's system without conducting its own evaluation.
- Since SFIS does not collect statewide data, there is no way to verify the actual amount of savings from the system.

The Department reports that SFIS will be re-procured this year. Request for Proposal for a SFIS contract should be released around the beginning of May, with an expected award of a new contract around December 2006.

PANELIST:

Charr Lee Metsker
Department of Social Services

George Manalo-LeClair
California Food Policy Advocates

STAFF COMMENT:

All CalWORKs and Food Stamp cases are also screened by the Income Eligibility and Verification System (IEVS) system, which provides a more comprehensive screening of the applicant. This system, if used correctly, is more effective at catching multiple case fraud than the SFIS system.

Assembly Budget Subcommittee #1 has previously taken action to eliminate the SFIS system in the FY 01-02, 02-03, 03-04, 04-05 and 05-06 budget cycles.

ISSUE #6 ELIMINATION OF COST OF DOING BUSINESS TRAILER BILL LANGUAGE

The Subcommittee will consider a proposal eliminate inflation adjustments to county administration funding.

BACKGROUND:

The Governor's Budget proposes legislation to freeze state participation in county administrative costs in health and social services programs at the 2005-06 level. Under this proposal, state support would be adjusted for caseload and workload but not for inflation. Most of these programs have not received cost of doing business increases since 2000-01, and have also received budget cuts in recent years. The total annual impact of unfunded cost of doing business increases and budget cuts since 2000-01 is \$942 million (\$665 million General Fund) for non-child support programs.

Program	Average Monthly Caseload	2005-06 Budget	<u>Annual</u> Impact of Cuts Since 2000-01*
CalWORKS Eligibility, Welfare to Work Services, and Child Care	483,524	\$1.89 billion total funds	\$267.8 million unfunded cost-of-doing-business increases and \$180.4 million cut to county operations and services
Food Stamps Administration	877,300	\$499.3 million total funds	\$154.8 million unfunded cost-of-doing-business increases and \$75.2 million reductions to county operations and services
Medi-Cal Eligibility	6.8 million	\$1 billion	\$58 million cut to county operations and services
Adoptions	69,060	\$73.5 million total funds	\$5.7 million unfunded cost-of-doing-business increases and \$12.8 million cut to county operations and services
Child Welfare Services	164,401	\$960.5 million total funds	\$24.3 million unfunded cost-of-doing-business increases and \$27.1 million cut to county operations and services
Foster Care Eligibility	79,797	\$96.6 million total funds	\$29.7million unfunded cost-of-doing-business increases \$2.6 million cut to county operations and services
Adult Protective Services	19,658	\$84.6 million total funds	\$17.8 million unfunded cost-of-doing-business increases and \$17.7 million cut to county operations and services
In-Home Supportive Services Administration	372,335	\$268.9 million total funds	\$68.3 million unfunded cost-of-doing-business increases

LAO RECOMMENDATION:

The LAO recommends to reject the proposed Trailer Bill Language. In the LAO's view, there is not a compelling case for adopting trailer bill legislation creating a long-term budget policy of limiting state participation in county administration. The proposed language would restrict legislative flexibility to adjust funding and service levels in county administration.

PANELISTS:

Frank Mecca
CWDA

STAFF COMMENT:

The proposal is contained in the Department of Health trailer bill language, since only the Medi-Cal program would reflect budget year savings if the language was adopted. However, the long-run impact of this proposal would affect all of the local assistance programs administered by DSS.

ITEM 4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT**ISSUE #7: NATURALIZATION SERVICES PROGRAM**

The Governor continues the Naturalization Services Program in the budget at \$1.5 million per year.

BACKGROUND:

The NSP provides community-based citizenship training services to immigrants throughout the State. Services provided include outreach, skills assessment, citizenship preparation and assistance, and advocacy/follow-up services.

In the current year, the program received \$1.5 million State General Fund to serve an estimated 8,250 individuals. The Governor's Budget proposes to continue this program in the budget year at the same level of funding.

NSP had been funded by as much as \$7 million per year in recent years. The chart below illustrates the historic funding levels for the NSP program.

Fiscal Year	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07
Amount Budgeted \$ (millions)	2	7	7	4.8	2.9	0	1.5	1.5	1.5

Authorization for the Naturalization Services Program is not currently codified and is based upon past practice of the Department. The Subcommittee could consider adding language to codify the program, given its nearly ten year history.

PANELIST:

Wendy Wohl
Department of Community Services and Development

Jeannette Zanipatin
California Immigrant Welfare Collaborative

STAFF COMMENT:

The Subcommittee previously heard this issue on March 1, 2006.

This program provides important assistance and training that can produce citizens at a cost of only \$173 per person. Given the program's history of providing low cost citizenship training, the Assembly may want to consider increasing this scope of this program so that more individuals can be served.

ISSUE #8: LIHEAP AND SOLAR WEATHERIZATION UPDATE

The Low Income Home Energy Assistance Program (LIHEAP) Block Grant will increase in the current year.

BACKGROUND:

The Low Income Home Energy Assistance Program (LIHEAP) Block Grant is funded by the federal Health and Human Services Agency and provides two basic types of services. Eligible low-income persons, via local governmental and nonprofit organizations, can receive financial assistance to offset the costs of heating and/or cooling dwellings, and/or have their dwellings weatherized to make them more energy efficient.

2004 CA LIHEAP/DOE Grant	\$93,685,323
Low-Income Households in CA	3,554,628
CA Households Served in 2004	213,574
Percentage of CA Low-Income Households Served	6%

This is accomplished through these three program components:

1. Home Energy Assistance Program (HEAP) provides a direct payment to a low-income client's utility bill to help offset the cost of heating/cooling their home.

CA Households Served	Average Payment	Average Energy Cost Reduction
Gas/Electric 132,779	\$193	20%
Wood/Propane/Oil 3,923	\$274	29%

2. Energy Crisis Intervention Program (ECIP) provides assistance to low-income households that are in a crisis situation; such as those having received a 24- or 48-hour disconnect notice, or service termination by their utility company, or an energy-related crisis or life-threatening emergency exists within the applicant's household.

CA Shut-Off/Crisis Avoided	Average Payment	Average Energy Cost Reduction
Gas/Electric 43,262	\$256	17%
Wood/Propane/Oil 5,233	\$324	34%
Heating/Cooling Repair 1,063	\$876	N/A
Heating/Cooling Replacement 5,975	\$1,537	N/A

3. Weatherization Services provide weather-stripping, insulation, caulking, water heater blankets, refrigerator replacement, heating/cooling system repairs, and compact fluorescent lamps to make dwellings more energy efficient, thereby reducing energy usage/costs, while safeguarding the health and safety of the household.

CA Households Served	Average Service Cost	Average Savings	Average Energy Cost Reduction
21,339	\$1,188	\$300 Annually	31% Annually

FEDERAL BUDGET INCREASES LIHEAP FUNDING:

The Deficit Reduction Act of 2006, which was signed by the President last month, provides the State with an additional \$63 million for LIHEAP in the current federal fiscal year. This increase is one-time and DCSD expects the additional funding to be spread between the State in both current and budget years.

The Department reports that the President's proposed budget for FFY 2007 proposes a small decrease in overall LIHEAP funding from the existing level of funding provided in the FFY 2006 budget. If this proposal were adopted by Congress, the State's funding level would be slightly less than the \$93 million California received this year.

SOLAR WEATHERIZATION PILOTS:

DCSD is conducting a solar weatherization pilot at 16 sites across the State. DCSD has used \$215,000 State Petroleum Violation Escrow Account funds to study the feasibility of solar weatherization measures. Most of the funds are earmarked to install and study solar hot water systems and solar ovens—both relatively low cost weatherization measures. Only one project involves a solar photovoltaic heating system costing approximately \$25,000.

The pilots are intended to give DCSD data on which to make a decision whether nonprofit providers can effectively and efficiently install these systems and to assess the energy efficiency of the systems. Based on the pilot studies, DCSD would make a decision about adding solar measures to its list of approved measures to low-income qualified households.

DCSD reports that federal LIHEAP funding cannot be used for Solar Weatherization projects under our current State plan. In addition, these systems exceed the \$2,800 per household threshold for the value of the weatherization improvement. The Department considers these projects "cutting edge" and expects the costs for this technology to decrease over time.

The federal Department of Health and Human Services may issue a discretionary grant of up to \$300,000 to support a solar pilot project. Section 42 U.S.C. § 8628a authorizes for grants to States to support projects of regional and national significance that can demonstrate more effective provision of weatherization services.

ITEM 4700 DEPARTMENT OF AGING**ISSUE #9: MULTIPURPOSE SENIOR SERVICE PROGRAM**

The Subcommittee will consider a request to increase the MSSP rate.

BACKGROUND:

Forty-one MSSP sites provide social and health care management for frail elderly clients who are certifiable for placement in a nursing facility but who choose to live at home with MSSP support. The goal of the program is to prevent or delay premature nursing home placement of these very frail clients. The program has operated under a federal Medicaid 1915 (c) waiver since 1983.

MSSP has had only one small funding increase since its inception in 1983.

UNSPENT FUNDING:

Over the last two years the MSSP program has not spent all of the funding allocated by the State. According to the Department of Aging, \$2.4 million was unspent in FY 03-04 and approximately \$3 million was unspent in FY 04-05.

Providers comment that the funding was provided to them in specific categories that made it difficult for them to spend. The Department undertook efforts to improve funding flexibility for MSSP providers and believe these efforts will result in all current year allocated funds being expended.

PROVIDERS REQUEST RATE INCREASE:

Multipurpose Senior Service Program (MSSP) providers request a \$6 million (\$3 million State General Fund) augmentation to increase the MSSP rate. The providers believe the higher rate will strengthen the capacity of the MSSP program to continue to serve its most impaired elders. According to the providers, this will assure viability of the program until the state's fiscal situation improves and a stable funding formula can be devised.

PANELISTS:

Department of Aging

Erin O'Keefe
MSSP Providers

STAFF COMMENT:

MSSP is a community-based option designed to provide services to low income individuals at-risk of institutionalization. Many senior advocates believe that the program is a cost effective alternative to other treatment options.

Although MSSP receives Medicaid funding, it has not received rate increase while other Medi-Cal programs have been adjusted.

Last year, the Subcommittee adopted a \$1.5 million General Fund increase to the MSSP rate. This increase was not part of the final budget package.

ISSUE #10: SENIOR LEGAL HOTLINE

The Senior Legal Hotline has requested \$250,000 from the Department of Aging.

BACKGROUND:

The Senior Legal Hotline has operated since 1994. Last year, the hotline assisted over 10,000 seniors with legal assistance. The Hotline is funded with several grants, but relies on a federal Administration on Aging grant for the majority of its funding. The federal grant that supports the hotline expires this year and the Senior Legal Hotline is asking the Department of Aging to assume support of its current operations.

The Senior Legal Hotline is also looking to increase the scope of its operations to 20,000 callers per year. The \$250,000 requested represents the hotline's estimate of the cost of this level of service.

STAFF COMMENT:

The Subcommittee considered this issue last year.