

**AGENDA
SUBCOMMITTEE No. 1
ON HEALTH AND HUMAN SERVICES**

ASSEMBLYMEMBER PATTY BERG, CHAIR

**WEDNESDAY, MAY 2, 2007
STATE CAPITOL, ROOM 444
1:30 P.M.**

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CONSENT CALENDAR

5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE 1: DEPARTMENT CONSOLIDATION PROJECT – SPRING LETTER

BACKGROUND

The budget requests \$2.009 million (\$1.240 million General Fund) to fund one-time and new continuing costs associated with the first year of a three-year project to consolidate selected Department of Social Services (DSS) staff into state-owned office buildings in Sacramento. The consolidation project will result in increased rent, facilities, and information technology expenditures for DSS. The cost in 2008-09 is projected to be \$8.611 million (\$4.353 million General Fund).

The renovation of Office Buildings (OBs) #8 and #9, which DSS will occupy, was initially approved in the 2002-03 Budget Act, which appropriated \$107.3 million to the Department of General Services (DGS) to fund the renovation project. The DSS currently occupies OB #8 and the 2007-08 and 2008-09 costs are associated with leasing other space to temporarily house 260 staff and renovate OB #8. The costs in the third year of the project (2009-10) are associated with renovating OB #9 and moving staff into it once the relocation is complete.

The renovations of OBs #8 and #9 include upgrades of: the structural systems, mechanical systems, electrical systems, fire and life safety systems, plumbing systems, hazardous material abatement, ADA access, tenant improvement upgrades, on-site child care facility, and maximization of building space and program efficiency through the use of open space planning and modular systems furniture. Once the renovation is complete, the DGS currently projects that the rent will increase from \$1.66 to \$3.65 per square foot.

4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

ISSUE 1: POSITIONS FOR ENERGY UTILITY PROGRAM – BCP**BACKGROUND**

The budget proposes to redirect six positions from the temporary help blanket to regular, ongoing positions within the Department of Community Services and Development's (CSD's) budget. No additional resources are requested as the positions are funded through existing fees paid by utilities companies for the services provided.

The CSD works with a network of 47 Energy Program service providers throughout the state. Federal funding provided to CSD for Energy Programs has increased from \$86 million to \$170 million in 2006. Over the same period, CSD's position authority was reduced from 54 to 46 positions due to Control Section 4.10 cuts. However, CSD has continued to fund the eliminated positions through its temporary help blanket.

The six positions that are requested to be permanently established are currently working on the Utility Program, one of the Energy Programs administered by CSD. The Utility Program provides eligibility verification and program verification for low-income Reduced Rate Programs (RRPs) offered by California utility companies. The CDS receives reimbursement from utility companies for these services. The amount of reimbursement is \$368,000 in 2006-07. The six positions would be funded entirely by these existing reimbursements.

4170 DEPARTMENT OF AGING

ISSUE 1: EVIDENCE-BASED HEALTH PROMOTION INITIATIVE – SPRING LETTER

BACKGROUND

The budget requests increased federal fund authority of \$547,000 in 2007-08 for the California Department of Aging (CDA). The CDA received an \$840,000 three-year federal grant to implement an evidence-based health promotion community-based program designed to encourage older adults with chronic health problems to learn skills to better manage their health conditions.

The local Area Agencies on Aging (AAAs) and more than 30 local public health and non-profit organizations in five counties (Fresno, Los Angeles, Madera, San Diego, and Sonoma) will participate in implementing various evidence-based health promotion programs. The day-to-day implementation activities of the grant will be managed by the Partners in Care Foundation. The programs to be implemented include:

- Chronic Disease Self-Management Program – a six session series of weekly workshops presented by two trained leaders, at least one of whom has a chronic disease.
- A Matter of Balance – eight classes presented by two trained leaders using an exercise program to improve the strength, coordination, and balance of participants.
- Medication Management – involves a care manager reviewing with his or her client all of the client's prescriptions using a software program designed to flag potential drug interactions.
- Healthy Moves – trains care managers and motivational coaches to teach two non-equipment movements to homebound, frail, low-income seniors.

ISSUE 2: MENTAL HEALTH SERVICES FOR OLDER PERSONS AND ADULTS WITH DISABILITIES – SPRING LETTER**BACKGROUND**

The budget requests \$93,000 in Mental Health Services Act (MHSA) funds and one permanent position for the California Department of Aging (CDA) to coordinate and monitor efforts to improve access to mental health services for older persons and adults with disabilities.

An estimated 20 percent of adults aged 55 years and over experience mental disorders that are not a part of normal aging, although some studies indicate that mental disorders in older adults are substantially underreported. Older adults have the highest suicide rates in the U.S. population. Although older adults represent 13 percent of the U.S. population, they receive only six percent of community mental health services.

The requested position would provide programmatic expertise on the mental health issues of the population served by the CDA. Specifically, the position would: 1) facilitate and provide technical assistance to local entities in their efforts to establish and/or expand mental health services models responsive to the needs of older adults and/or adults with disabilities; 2) serve as an internal consultant to CDA programs on promising practices that increase access to effective mental health services for older persons and adults with disabilities; and 3) support CDA's active participation in the state level policy and implementation activities pertaining to the implementation of the MHSA.

ISSUE 3: CONTINUATION OF ADHC PROGRAM REFORM – BCP**BACKGROUND**

The Governor's Budget proposes \$194,000 (\$94,000 General Fund) and one position to provide legal analysis and consultation on complex issues arising from implementation of Adult Day Health Care (ADHC) Program reforms. Although the bulk of the workload associated with these reforms falls on DHS, the CDA, in their certification role, is also seeing increased legal workload associated with ADHC reform.

CDA administers the ADHC Program pursuant to Health and Safety Code Section 1570 et seq. and Welfare and Institutions Code Section 14520 et seq. The Department is responsible for, among other things: reviewing applications for Medi-Cal certification; certifying new centers for Medi-Cal reimbursement; renewing the certification of licensed centers; conducting health and safety surveys of facilities; citing noncompliant facilities for deficiencies; approving plans for correction; recommending adverse actions against centers that are substantially out of compliance with program statutes and regulations; referring offending providers to the DHS Audits and Investigations (A&I) Division for fraud investigation and enforcement; and working with DHS Licensing and Certification to take actions.

ISSUE 4: CRIMINAL RECORD CLEARANCE FOR LTC OMBUDSMAN – BCP**BACKGROUND**

The Governor's Budget proposes \$293,000 General Fund (\$225,000 state operations and \$68,000 local assistance) for the California Department of Aging to contract with the California Department of Social Services and the 33 Area Agencies on Aging (AAAs) to process criminal record clearances and conduct fingerprinting locally for Long-Term Care Ombudsmen staff and volunteers as mandated by SB 1759 (Ashburn, Chapter 902, Statutes of 2006). In addition, the Administration proposes trailer bill language to make the criminal record clearances required by SB 1759 contingent on an appropriation in the annual Budget Act or other legislation.

Ombudsmen staff and volunteers help to resolve complaints made by, or on behalf of, residents and ensure that skilled nursing facilities and residential care facilities for the elderly provide quality care for residents. The duties of an Ombudsman place him or her in direct personal contact with residents.

Prior to enactment of SB 1759, criminal background clearances for ombudsmen volunteers and staff were not required. This budget request would enable CDA to use DSS' existing criminal record clearance systems, rather than create the same function within the CDA, and to cover the costs of fingerprinting Ombudsmen staff and volunteers.

VOTE-ONLY ITEM**5180 DEPARTMENT OF SOCIAL SERVICES**

ISSUE 1: SERVICES TO NONCITIZEN VICTIMS OF TRAFFICKING AND/OR SEVERE CRIME - BCP**BACKGROUND**

The budget includes \$93,000 General Fund and one position for the Department of Social Services (DSS) to implement Senate Bill (SB) 1569 (Chapter 672, Statutes of 2006, Kuehl), which extended eligibility for certain public social services to non-citizen victims of human trafficking, domestic violence, and other serious crimes.

SB 1569 extended eligibility to the above-described victims for public social services to the same extent as those persons eligible under the federal Refugee Act of 1980. These services include: Refugee Cash Assistance, Refugee Medical Assistance, Refugee Social Services, California Work Opportunity, and Responsibility to Kids, Food Stamps, Cash Assistance Program for Immigrants, Supplemental Security Income/State Supplemental Payment (SSI/SSP), and Health Family Program benefits. Eligibility for these services would extend to victims before they have been certified as trafficking victims as long as they can show proof that they have filed an application for certification as a trafficking victim within one year. There are approximately 185 persons who have received certification as trafficking victims residing in California who have applied for such certification.

SB 1569 requires DSS to adopt regulations to implement the provisions of the bill no later than July 1, 2008. There is also significant one-time workload associated with implementing and administering the program. However, the amount of ongoing workload associated with SB 1569 is less clear.

ITEMS TO BE HEARD

5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE 1: OVERVIEW OF STATE FOOD PROGRAMS

BACKGROUND

This is an informational item describing the Food Stamps Program, the Emergency Food Assistance Program, and the state's participation and error rates.

FOOD STAMP PROGRAM

The Food Stamps Program provides food benefits via Electronic Benefit Transfer (EBT) cards to eligible low-income families and individuals. The Department of Social Services (DSS) provides statewide oversight, and counties perform eligibility determination and employment services functions. Families eligible for CalWORKs are automatically eligible for Food Stamp benefits. Low-income working families and individuals are also eligible for Food Stamp benefits, even if they have not enrolled in the CalWORKs program.

Enrollment summary: The DSS estimates that average monthly Food Stamp caseload in 2007-08 will be 2.1 million persons, a 2.3 percent increase over 2006-07. Approximately 68 percent of these beneficiaries are not receiving cash assistance. The proportion of "non-assistance" Food Stamp caseload in the program has grown significantly in recent years, and increased enrollment among non-assistance households has been the driving factor in overall program growth since 2000-01.

Funding summary: Food Stamp benefits are funded entirely by federal funds. These funds are not included in the state budget, as the U.S. Department of Agriculture provides funding for food directly to beneficiaries via EBT cards. Californians are estimated to receive approximately \$2.7 billion in federal Food Stamp benefits in 2007-08. The federal government also funds 50 percent of the program's eligibility determination and administrative costs. The remaining 50 percent is split between the State and counties at a ratio of 69 percent to 31 percent, respectively. The budget anticipates that funding for county activities will be \$918.0 million (\$335.1 million General Fund), an increase of \$26.2 million (\$11.6 million General Fund) compared to the current year, due to increasing caseload.

California Food Assistance Program (CFAP): The State also administers the CFAP, a state-only food stamp program for legal non-citizens. Total funding for benefits and eligibility costs is estimated to be \$27.7 million General Fund in 2007-08, to provide benefits to 23,600 beneficiaries.

Food Stamp participation rate: According to the U.S. Department of Agriculture (USDA), California's Food Stamp participation rate ranks last in the country, with only 46 percent of eligible recipients participating. This low rate may result in a significant amount of lost federal funds for the state's economy, as well as reduced nutrition and increased hunger for low-income families. California's poor performance has led to an examination of policies that may improve barriers to eligible families accessing food stamps including the following:

- Finger imaging – California is one of four states that use finger imaging in the Food Stamp Program. The State requires that all adult household members be finger printed. This makes California's application process different from other states where, in most cases, only one adult needs to make a trip to the food stamp office. With finger imaging, all adult household members, even if working, elderly, or disabled, must go into the office to be imaged. In addition, the finger imaging requirement limits California's ability to use online applications, phone interviews, and other administrative simplifications to increase access to food stamps. Removal of the finger imaging requirement from Food Stamp program only (finger imaging is also required in the CalWORKs program) continues to be discussed.
- Categorical eligibility – The USDA allows states to take steps to align certain rules in the Food Stamps Program with those of cash aid programs. Recipients of TANF (called CalWORKs in California) are deemed categorically eligible for Food Stamps. Since the need for cash aid has already been determined, the income and assets of recipients are not redetermined for Food Stamp applicants. This helps to align programs, remove duplication, and ease administration. This issue is covered independently in this agenda.

Advocates have proposed that Medi-Cal recipients be made eligible to receive a TANF-funded service so that they can be made categorically eligible for Food Stamps. Food Stamp-eligible families are now more likely to be participating in Medi-Cal than in cash aid programs. There is believed to be agreement between advocates and the Administration over the benefits of this policy approach, but there are concerns over the fiscal impacts.

- Simplified reporting – Moving to semiannual reporting and eligibility determination has the potential to simplify administration and improve Food Stamp participation. The Administration's proposal to move from quarterly reporting to semiannual reporting was discussed by the Subcommittee and was left open until the May Revision.

EMERGENCY FOOD ASSISTANCE PROGRAM

The EFAP provides about 68 million pounds of donated food annually to 49 local county food banks and over 2,300 distribution sites to serve approximately 1 million needy individuals monthly in low-income households. To be eligible for EFAP, recipients

must certify that they meet the income eligibility requirements of the program (150 percent of the poverty level) and that they are a resident of the county. The EFAP also provides food to congregate feeding sites throughout the state that serves thousands of homeless individuals. The food comes from two sources:

1. U.S. Department of Agriculture (USDA) – The USDA provides the bulk of food distributed to the needy by the EFAP. The USDA allocates approximately \$16 million in entitlement commodities annually to California. In addition, in 2005-06, USDA provided California bonus (free) commodities valued at over \$13 million (21 million pounds). The USDA makes these purchases to remove surpluses throughout the nation in order to provide price stability in the farming marketplace.
2. California Donate/Don't Dump (DDD) Program – The DDD Program was enacted by a Governor's Proclamation in 1995 to salvage fresh fruit and vegetables throughout California and distribute them to the needy of this State. The California Department of Social Services (DSS) partners with California Emergency Foodlink, a non-profit organization, to collect, salvage, and distribute to the local county food banks approximately ten million pounds of fresh fruits and vegetables annually.

The EFAP also annually provides USDA and DDD food to displaced victims of disasters such as earthquakes, floods, fires, drought, and potential acts of terrorism. Since EFAP uses "household" pack size food in its program versus "congregate feeding" pack sizes (used in soup kitchens, schools, and Red Cross mass shelter locations), EFAP is only involved in disasters where the victims have the capability to independently cook for themselves. Since neither USDA nor the State typically provides food for disasters, EFAP normally holds about 16 truckloads (640,000 pounds) of a mixed variety of USDA food in reserve as a safety net.

Recent Emergency Allocations to Food Banks: Since January 2007, DSS has allocated \$4.6 million in funds from the Disaster Response-Emergency Operations Account to local food banks and the California Emergency Foodlink in response to the recent freeze disaster. The funds have been used for the purchase and distribution to affected individuals and the purchase of food to replenish and increase the State's reserve to prepare for future emergency distributions to counties. In addition, the Federal Emergency Management Agency announced that federal disaster aid is available to provide disaster unemployment insurance and commodities for individuals affected by the freeze. The federal commodities, which began arriving in April, supplement state and local recovery efforts and diminish the future need for state funding to purchase food. The remainder has been spent on administrative and operating costs, such as personnel, transportation, and storage.

Unmet Need for Food: Despite California's recent rapid and effective response to the freeze disaster, there remain an estimated five million Californians who report that they are unable to afford the food they need, including many seniors and working parents. Food banks play a critical role in meeting this need, although there is no ongoing state funding for food banks. In addition, federal emergency food programs have been shrinking. The total food provided to California by USDA declined from 97 million pounds in 2002 to 57 million pounds in 2006.

PANELISTS

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office

ISSUE 2: FOOD NEEDS IN CALIFORNIA**HUNGER IN CALIFORNIA**

According to advocates, five million Californians report that they are unable to afford the food they need, including many seniors and working families whose budgets for food are squeezed by rising costs of living. A 2005 UCLA Center for Health Policy Research study found that food insecurity affects 38% of California families with children. School meal and food stamp programs have been shown to be effective ways of preventing childhood hunger and improving nutrition, yet California's rate of participation in these programs is unacceptably low. Only 46% of eligible Californians received food stamps in 2004, the worst rate in the nation. Bureaucratic barriers and outdated asset rules deny vital nutrition help to families and children who need it.

School meal programs are also underutilized. Only half of students receive lunch at school, and 18% receive school breakfasts. Some low-income children with incomes between 130% and 185% of the federal poverty level may not receive school meals because their families cannot afford the 40 cents required for a reduced price meal.

RECENT CITRUS FREEZE

The recent citrus freeze revealed the decline in food provided to California through the primary emergency food program, the federal TEFAP (The Emergency Food Assistance Program). The freeze response demonstrated both the strengths and challenges of the State's current food assistance system. The extremely low temperatures and freezing conditions arrived in California January 11 and continued through January 17. By January 16, the Governor began issuing a series of proclamations that, by January 26, had declared disasters in 18 counties, concentrated in the Central Valley but extending as far North as El Dorado and Yuba; South to Imperial and San Diego; and East to Santa Barbara and San Luis Obispo. Food banks began reaching out to DSS, Office of Emergency Services (OES), the Legislature, and the Governor to share news of farm workers' growing needs for food, but it was unclear what response would be forthcoming and what additional action would be necessary.

The urgency and the size of the need for food assistance became clear on January 30, in an ad hoc conference call with the Governor's office, OES, DSS, and the food banks. Directly after the call, the Governor sent \$25,000 to each of six food banks to meet immediate needs in Tulare, Fresno, Kern, Ventura, Kings, and Merced counties. The State DSS also sent trucks of food to Tulare, Fresno, Ventura, and Madera counties during this time. By the end of that week, the Governor made additional funds available for food and distribution costs in response to the freeze in all 18 counties, through the State DSS network of food banks already under contract to deliver federal food (the Emergency Food Assistance Program).

As of March 20, more than \$4.2 million in state funds has been provided to meet the new food-assistance needs due to the freeze in the 18 counties. These funds have primarily been used by local food banks to purchase and distribute food for freeze victims. The DSS, in partnership with California Emergency Food Link, has also used funds to purchase and distribute food directly in areas particularly hard hit. In addition, the State has entered into MOUs with additional food banks where needed to best serve the freeze victims.

The federal government's food response came nearly two months after the freeze began: on March 13, the President declared disaster in 12 counties, allowing federal disaster food to be provided to freeze victims. This new resource will allow state funding moving forward to focus on acquiring foods needed to supplement the federal food package and on distribution costs, which are not covered by the federal government.

FEDERAL EMERGENCY FOOD SUPPLY

Total food provided to California by USDA declined from 97 million pounds in 2002 to 57 million in 2006. A continued decline is projected for the current year. The decline in food is due to two factors: first, strong farm prices have resulted in USDA purchasing less food from farmers for market support and thus providing less "bonus" food to food banks; second, the base funding level has remained flat since 2002, eroding in value as food, transportation, labor, and other costs rise. California's current funding level is \$15.7 million.

<u>YEAR</u>	<u>Base</u>	<u>Bonus</u>	<u>TOTAL POUNDS</u>
2002	33,553,160	63,314,105	96,867,265
2003	39,190,903	31,874,325	71,065,228
2004	36,897,329	39,207,201	76,104,530
2005	38,320,627	35,831,186	74,151,813
2006	36,348,453	20,855,254	57,203,707
2007YTD	17,475,402	5,747,852	23,223,254

REQUEST FOR FUNDING

The California Association of Food Banks has submitted the following requests:

- **Disaster Preparedness:** \$1 million will allow for disaster-relief food to be pre-positioned in Northern and Southern California locations. This is the equivalent of immediately providing 25,000 people with a two-week supply of food, while additional resources are mobilized.
- **Emergency Food:** \$8.1 million will provide enough food to serve 1 million

meals per month or 12 million additional meals annually at the cost of \$.63 per meal. This includes \$7.5 million for food purchases and \$600,000 (8%) to help cover transportation, storage, and distribution costs. Increasing the food in the distribution pipeline will strengthen the response to both present needs and disasters. There is an existing State network that can distribute emergency food.

DSS has contracts with 50 local food banks and California Emergency Foodlink, to provide all 58 counties with federal TEFAP food, disaster food, and the private funds donated through the state tax check-off for Emergency Food Assistance. This network reaches 1 million people each month living at 150% of poverty -- \$30,000 for a family of four -- with approximately two meals worth of federal food.

PANELISTS

- Innovations with Seniors, Children, and Healthy Food:
David Goodman, Executive Director, Redwood Empire Food Bank
- Freeze Response and Food:
Sarah Reyes, CEO, Community Food Bank (Fresno)
- Emergency Food Needs:
Kim McCoy Wade, Executive Director, CA Association of Food Banks
- Department of Social Services
- Department of Finance
- Legislative Analyst's Office

ISSUE 3: IMPLEMENTATION OF AB 2384 ON CORNER STORE CONVERSION**BACKGROUND**

In September 2006, Governor Schwarzenegger signed AB 2384 (Leno) which would establish the Healthy Purchase Pilot program to make fresh fruits and vegetables more accessible and affordable. The Healthy Purchase Pilot has two complementary components. First, it would provide corner-store grocers with the support and assistance needed to manage the challenges of offering fresh produce. Second, it would seek to make healthy purchases better economic choices for food stamp recipients by utilizing their Electronic Benefit Transfer (EBT) cards to deliver a financial return. For example, a food stamp participant using the card to purchase \$1 worth of fresh broccoli might receive 40 cents back on the card. This innovative approach would use available technology to help Californians be healthy. All retailers, not exclusively small grocers, would be eligible to participate in the EBT card incentive component.

Advocates who sponsored this legislation states that in the 2007-08 State Budget resources are needed to:

- **Begin the Corner Store Conversions:** To ensure that the mom and pop grocers are up and running with fresh produce in time to participate in the EBT card incentive phase, approximately \$350,000 is requested.
- **Begin the Computer Programming on the EBT Incentive:** With a sunset date for the pilot established in law, the EBT incentive system must be readied to allow adequate time to offer and evaluate the incentive. \$1,250,000 is requested.

These amounts were not included in the Governor's budget. AB 2384 has a sunset date of January 1, 2011. Advocates contend that this pilot has the potential to increase healthy eating, reduce health care costs, and inform future state and federal nutrition policies.

PANELISTS

- George Manalo-LeClair, California Food Policy Advocates
- Department of Social Services
- Department of Finance
- Legislative Analyst's Office

ISSUE 4: CATEGORICAL ELIGIBILITY FOR FOOD STAMPS**BACKGROUND**

Federal law gives states tools to improve access to nutrition assistance. Families authorized to receive any benefit or service funded by the federal Temporary Assistance for Needy Families (TANF) block grant can be deemed "categorically eligible" for food stamps and do not need to make a separate application and meet additional eligibility or paperwork requirements. Once eligible for food stamps, children are automatically able to receive free or reduced-price school meals.

The U.S. Department of Agriculture has long allowed states to take steps to align certain rules in the Food Stamp Program with those of cash aid programs. For many years recipients of AFDC (now TANF) and recipients of county general assistance were deemed "categorically eligible" for food stamps. Since administrators already determine need for these cash aid programs, the income and assets of recipients were not redetermined for food stamp applicants. This helped to align programs, remove duplication and ease administration. After welfare reform, the TANF program became more than just the provision of cash welfare, as TANF families often receive works supports such as child care, transportation assistance, etc. Recognizing this, categorical eligibility was extended, at state option, beyond those receiving cash benefits to those receiving TANF funded services.

States have largely exercised this option. 37 states have opted to use expanded categorical eligibility. California has not chosen to exercise this option.

Advocates in California, including the California Food Policy Advocates, have been eager to use this option not just to increase food stamp participation but to also connect health and nutrition programs. Advocates have proposed that Medi-Cal recipients be made eligible to receive a TANF funded service so that they could be made categorically eligible food stamps. Advocates contend that such an approach makes sense since eligible families are now more likely to be participating in Medi-Cal than in cash-aid programs. Advocates and the administration are believed to be in agreement over the benefits of this policy approach but are still working out the budget issues. Originally advocates proposed casting the net broadly and making the entire universe of Medi-Cal recipients categorically eligible regardless even if they were to receive little or no food stamp benefits. Since families who receive food stamps are automatically enrolled in the free school lunch and breakfast programs under state and federal law, advocates were originally interested in keeping families who received less than \$10 in benefits on the food stamp rolls to aid in school meal enrollment. Recognizing that the administrative costs of administering these low-benefit cases might not outweigh the federal school nutrition benefits, advocates agreed to exclude families whose benefits would be less than \$10 from expanded categorical eligibility.

Advocates have indicated that they are prepared to make another concession to ensure that the federal fiscal benefits outweigh the state and local administrative costs of managing food stamp cases. Since there is a very large number of Medi-Cal cases eligible for the minimum food stamp benefit of \$10, advocates are open to excluding these cases from categorical eligibility as well. By ensuring that expanded categorically applies to cases that receive significant federal benefits, the state can experience the resulting increased sales tax revenue and administrative savings in the budget.

Advocates state, "Taking these steps would not only bring in hundreds of millions of dollars in federal food stamp benefits but also other federal resources as well. Again, because food stamp recipients are automatically eligible for free schools, increasing food stamp participation would also increase the amount of federal child nutrition funds coming to the state as well. Another little impact is on child welfare funding. The federal government awards some child welfare services funds on the basis of food stamp participation. Despite serving over 25 percent of the national child welfare caseload, California receives less than 15 percent of certain child welfare funds (PSSF) funds because of our low food stamps participation rate. Taking action to use expanded categorically eligibility will mean increased federal child welfare funds as well."

PANELISTS

- George Manalo-LeClair, California Food Policy Advocates
- Department of Social Services
- Department of Finance
- Legislative Analyst's Office

ISSUE 5: ADULT PROTECTIVE SERVICES

The Subcommittee has heard this item before in an informational context on March 7, 2007. This agenda item includes a request for funding for the Adult Protective Services (APS) program.

BACKGROUND

The budget includes \$123.6 million (\$61.3 million General Fund) for APS an increase of five percent. The increase reflects a higher level of Title XIX reimbursements. Each county has an APS agency to help elder adults (65 years and older) and dependent adults (18-64 who are disabled), when these elders and dependent adults are unable to meet their own needs, or are victims of abuse, neglect or exploitation.

The California Department of Social Services (CDSS) provides policy development and oversees the administration of the APS program. County APS agencies investigate reports of abuse of elders and dependent adults who live in private homes and hotels or hospitals and health clinics when the abuser is not a staff member. (The Licensing & Certification program of the California Department of Health Services handles cases of abuse by a member of a hospital or health clinic.) County APS staff evaluates abuse cases and arranges for services such as advocacy, counseling, money management, out-of-home placement, or conservatorship. The CDSS' Community Care Licensing Division (CCLD) is responsible for investigating reports of abuse or neglect that occur in or under the supervision of CCLD licensed facilities, e.g. residential care facilities for the elderly and adult residential facilities.

Reports of abuse that occur in a nursing home, a board and care home, a residential facility for the elderly, or at a long-term care facility are the responsibility of the Ombudsman's office, which is administered by the California Department of Aging, discussed in more detail below. APS staff also provides information and referral to other agencies and educates the public about reporting requirements and responsibilities under the Elder and Dependent Adult Abuse Reporting laws.

FISCAL HISTORY

In 1998, SB 2199 (Lockyer) established a statewide mandated APS program. Prior to this bill, the state was using County Services Block Grant funding for APS, but there was no mandate for counties to respond to adult abuse on a 24 hour emergency hotline. The passage of this bill required the State to begin funding an APS augmentation, which started as a \$1 million additional General Fund for 1998-99 and grew to an additional \$56.2 million for the program by 2001-02. The original concept for the program envisioned further expansion to a total of \$80 million General Fund for APS as counties ramped up their programs. However, the State's poor fiscal condition beginning in 2001-02 prevented this expansion from occurring.

In fiscal year 2002-03, as part of an overall ten percent reduction to county administered programs human services, APS was cut by \$6 million General Fund. Since 2002-03, the State funding level has been essentially frozen for APS, although there has been a slight increase in federal County Services Block Grant funding devoted to the program.

RECENT TRENDS

Recent data for APS provided by CDSS further illuminate trends in the APS program. From 2000-01 to 2005-06:

- The number of reports of abuse/neglect received by APS each year increased by 24.2 percent, an increase of 19,920 reports. A report is defined as a verbal or written account of an incident of suspected elder or dependent adult abuse that is received by a county.
- The number of opened cases increased 21.9 percent, an increase of 15,702 cases.
- The number of investigations completed increased by 25.6 percent, an increase of 17,423 investigations. Investigations are defined as an activity undertaken by APS to determine the validity of a report of elder or dependent adult abuse.
- The monthly average for active APS cases decreased 5.4 percent, a decrease of 1,145 active cases a month.

In addition:

- APS hotline responses that are identified as needing “No Initial Face to Face Investigation” increased 118.1 percent from 2002-03 to 2005-06, an increase of 6,194 cases.
- Information and referral calls made to counties increased by 15.4 percent from 595 in 2001-02 to 686,695 in 2005-06, an increase of 91,680 calls.

Additionally, the California Welfare Directors Association provides the following statistics:

- There has been a 40 percent increase in “confirmed” and “non-conclusive” reports between January 2004 and June 2006.
- Financial abuse cases alone have increased 21 percent since 2001. Counties reported a 32 percent increase in the number of cases alleging financial abuse.
- Self-neglect cases have increased by 7 percent since 2001. Neglect by other has increased by 16 percent.
- The number of active cases managed by APS social work staff increased by 18 percent between January 2004 and June 2005.
- There was a 23 percent increase in the number of cases assigned to APS staff for investigation between 2001 and 2005.
- Between 2001 and 2005, county APS staff increased by four percent.

Over the last five years, the number of mandate reporters has grown, resulting in more APS cases. The inclusion of banks as mandate reporters next year (due to SB 1018 Simitian) will continue to increase the number of cases sent to APS. In addition, APS casework often involves complicated legal and financial elements that require more work than was anticipated when the program was established in 1998. However, counties have been provided essentially flat funding to meet an increasing workload. As a result the array of services provided has been reduced and counties are pressured to close cases early to keep up with the mandated workload. The California Welfare Directors Association (CWDA) reports that the trend for case increase is 14 percent and that there is a simultaneous 21 percent decrease in the time spent investigating cases.

FUNDING REQUEST

The California Welfare Directors Association, joined by many other local governments, advocacy organizations, and individuals, is requesting an increase in APS funding of \$20 million as a modest investment in APS. The CWDA and its partners in this request contend that local APS agencies are struggling to meet the increased demand for services. “Many APS agencies have already had to scale back services in some way, through triaging incoming calls on the front end or by reducing services for clients in the program.” Advocates state that in 2006, APS agencies received over 104,000 reports of abuse and neglect - a 34 percent increase since 2000 - and conducted 83,850 annual investigations, or 31 percent more investigations than in 2000.

APS agencies also report that they are closing cases prematurely in order to move on to the next pending investigation. CDSS data of county APS activity shows there has been a 34 percent decrease in the number of cases open more than three months. Other reports from counties support this trend and report a 21 percent decrease in time spent investigating and managing each case, moving from an average of 61 days to an average of 46 days per case. Advocates argue that closing cases too soon reduces the level of services and supports needed for victims to remain safe from further harm.

The budget for APS has remained flat since 1999 and proponents state that, today, conservative estimates indicate that the true cost of operating a statewide APS program is over \$105 million GF based on changes in the CNI. Absent any change in the 2007-08 budget year the projected funding gap will be \$55 million GF or 110% below the necessary funding level identified by the counties and other advocates.

PANELISTS

- California Welfare Directors Association
- California State Association of Counties
- Other Advocates
- Department of Social Services

STAFF COMMENT

Elder abuse is costly to our society and has devastating effects on this population. At worse, elder abuse can lead to premature hospitalization and death. Studies show that elder abuse victims are 3.1 times more likely to die than the average senior. Finance abuse victims on limited and fixed income face particular hardship when they are fleeced of their financial supports and savings, often pushing them into mental depression and compromised health status, for which care is difficult to access and expensive.

In the near future, the state will either need to revisit the scope of the APS mandate or invest more resources into the program. If the State fails to invest additional resources into the program, it will need to give counties the ability to "triage" cases and not investigate all APS abuse reports. However, the alternative path is for California to invest in resources to fully fund the existing mandated workload and then expand the scope of services to better tackle complex elder abuse issues, like abusive conservatorships.

ISSUE 6: SSI/SSP COLA**BACKGROUND**

The budget provides \$140.3 million General Fund to fully fund the State Supplementary Program (SSP) cost-of-living-adjustment (COLA) of 4.2 percent. The proposal would also pass on \$34.4 million in additional federal funds to fully fund the federal 1.2 percent COLA for Supplemental Security Income (SSI).

The SSI/SSP program provides cash grants to persons who are elderly, blind and/or too disabled to work and who meet the program's federal income and resource requirements. Beneficiary grants generally reflect the maximum grant less any offsetting personal income. Individuals who receive SSI/SSP are categorically eligible for the Aged, Blind or Disabled Medi-Cal Program with no share of cost, for the In-Home Supportive Services Program, and may be eligible for other programs designed to support individuals living in the community. The SSI/SSP program is administered by the federal Social Security Administration. The Social Security Administration determines eligibility, computes grants, and disburses monthly payments to recipients.

SSI/SSP grant levels vary based on a recipient's living arrangement, marital status, minor status, and whether she or he is aged, blind or disabled. There are over twenty different SSI/SSP payment standards. Both the federal and state grant payments for SSI/SSP recipients are adjusted for inflation each January through COLAs. Federal law provides an annual SSI COLA based on the Consumer Price Index, and state law provides an annual SSP COLA based on the California Necessities Index.

The Cash Assistance Program for Immigrants (CAPI) program was established in 1997 to provide cash benefits to aged, blind and disabled legal immigrants who became ineligible for SSI as a result of welfare reform. This state-funded program is overseen by the Department of Social Services (DSS) and administered locally by counties. CAPI grants are \$10 less than SSI/SSP grants for individuals and \$20 less than SSI/SSP grants for couples. An issue in the CAPI program is discussed independently in this agenda.

ENROLLMENT SUMMARY

The budget projects SSI/SSP average monthly enrollment will grow by 2.1 percent, from 1,239,000 in 2006-07 to 1,265,000 in 2007-08. Approximately eight percent of recipients are under age 18, 49 percent are age 18 to 64, and 43 percent are age 65 and older. CAPI caseload is projected to increase by 29.1 percent in 2007-08, to 11,415 average monthly recipients.

FUNDING SUMMARY

SSI/SSP grants have two components: the SSI component, which is federally funded, and the SSP component, which is state funded. Total funding for SSI/SSP is estimated to be \$8.7 billion (\$3.5 billion General Fund) in 2006-07, and \$9.4 billion (\$3.9 billion General Fund) in 2007-08. General Fund expenditures are projected to increase by 9.9 percent, to reflect an increase in caseload and funding of the 2008 state and federal COLAs. The federal funds in the SSI portion of the grant are not included in the state budget, as they are federally administered. Total funding for the CAPI program is estimated to be \$95.9 million General Fund in 2006-07 and \$129.5 million General Fund in 2007-08. In addition to caseload, this 34.1 percent increase is due to the increased caseload resulting from the expiration of the ten-year sponsor deeming period for the first round of CAPI recipients.

2008 FEDERAL SSI AND STATE SSP COLAS

The budget provides \$140.3 million General Fund to fully fund the state SSP COLA of 4.2 percent. At the time the Governor's Budget was released, the California Necessities Index (CNI), upon which the SSP COLA is based, was an estimate. The final CNI is actually 3.7 percent, which results in an estimated SSP COLA cost of \$124.4 million General Fund, a \$45.1 million General Fund reduction from the January estimate. As a result, the maximum SSI/SSP grant would increase from \$856 to \$888 for individuals and \$1,502 to \$1,558 for couples. These grants also include the \$34.4 million in additional federal funds to fully fund the federal 1.2 percent COLA for SSI.

PANELISTS

- Western Center on Law and Poverty
- Department of Social Services
- Department of Finance
- Legislative Analyst's Office

ISSUE 7: CASH ASSISTANCE PROGRAM FOR IMMIGRANTS**BACKGROUND**

Low-income seniors and persons with disabilities who rely on the cash assistance program for immigrants (CAPI) for subsistence income experience a break in aid when they become U.S. citizens. The temporary loss of income is the result of a drafting error that terminates CAPI on the day an immigrant becomes a citizen. These new citizens cannot file a successful application for SSI before they naturalize, but cannot receive federal Supplemental Security Income (SSI) until this application is processed. This “citizenship penalty” deprives seniors and persons with disabilities of the income they need to pay rent and basic expenses, putting them at risk of homelessness and hunger. Advocates contend that terminating assistance for new citizens creates a perverse incentive, which could lead CAPI recipients to avoid naturalizing - the very condition that allows them to secure federal SSI. The law should be clarified to ensure that new citizen seniors and persons with disabilities are able to remain in their housing.

The CAPI program was established under Governor Wilson in 1998 to ensure that seniors and persons with disabilities could continue to receive critical assistance after the federal welfare law rendered many immigrants ineligible for SSI. CAPI serves as a bridge for some immigrants, allowing them to pay rent and other necessities while they take steps to qualify for federal services. The drafters of the legislation assumed that naturalized immigrants would transition immediately to SSI, and did not foresee the temporary gap that results from the SSI application process. Advocates contend that this was an oversight rather than a policy decision. The legislature can correct this oversight at almost no additional cost to the state, avoiding serious harm to individuals and the communities where they live.

Seniors and persons with disabilities rely on CAPI to pay for basic necessities such as rent, food, and clothing. When they lose this income, they risk hunger and homelessness. Those forced to rely on General Assistance suffer a drastic reduction in income and have difficulty paying for their minimal needs. Some are refugees with severe physical or mental disabilities; losing this income can render them desperate, or even suicidal. In preserving services for seniors and persons with disabilities, California recognized the individual and public health consequences of terminating this aid.

Providing assistance to individuals who are transitioning to federal SSI will cost the state almost nothing. Under the “interim assistance reimbursement” agreement (IAR), the state is reimbursed for any CAPI assistance paid after an SSI application has been filed. According to a 2002 DSS report, over 98% of the CAPI caseload is over 65. For seniors, it takes no more than 2-3 months to secure federal SSI. For the small number of younger CAPI recipients, it takes longer to establish a disability. These recipients are highly likely to secure SSI - they already have been determined disabled by the same agency. Although the transitional assistance involves a small up-front cost, almost all of the state funds will be recouped. More importantly, preserving assistance for seniors and persons with disabilities avoids the costs of losing housing and other critical needs.

The proposal from advocates is to correct this drafting error to ensure that low-income seniors and persons with disabilities can transition smoothly from CAPI to SSI after they become citizens, allowing the state to maximize federal dollars, and making sure that these new citizens can remain in their housing.

PANELISTS

- Western Center on Law and Poverty
- California Immigrant Policy Center / National Immigration Law Center
- Department of Social Services
- Legislative Analyst’s Office

ISSUE 8: MEDI-CAL DISABILITY CLAIMS WORKLOAD – BCP**BACKGROUND**

The budget includes two requests related to workload in the Department of Social Services (DSS) related to Medi-Cal disability claims. One request is a budget change proposal for \$2.333 million (\$1.167 million General Fund) and 11 limited-term positions to process a backlog of Medi-Cal medically needy disability applications and to avoid future backlogs. The other request is an April finance letter for \$650,000 (\$325,000 General Fund) and four permanent positions to obtain needed information from Limited English Proficiency (LEP) Medi-Cal medically needy disability applications via telephone translation service.

Through an interagency agreement with the Department of Health Services (DHS), DSS has the responsibility for determining medical eligibility for California residents who have applied for Medi-Cal disability under the provisions of Title XIX of the federal Social Security Act. Applications for Medi-Cal disability are taken by county welfare departments and forwarded to DSS for the development of medical and vocational evidence and a determination of medical eligibility based on the evidence. There is a 90-day federal regulatory processing requirement (including both county and state processing time).

The Western Center for Law & Poverty (WCLP) recently filed a lawsuit against DHS and DSS for failure to meet the required federally mandated 90-day processing requirement for thousands of pending medically needy applications. At the end of 2005-06, the cumulative backlog was 13,571 cases with a wait of over 285 days before a decision is rendered. The DSS is negotiating with the WCLP in an effort to reach a settlement involving a plan to steadily reduce and ultimately eliminate the backlog within an agreed-upon timeframe.

In addition, DHS and DSS are under investigation by the federal Health and Human Services Office for Civil Rights as a result of a complaint that alleges the Departments discriminate against LEP applications. The proposed settlement of that complaint requires DSS to translate all applicant forms and letters into multiple languages. This settlement is expected to be signed soon and DSS will be required to have a process in place within 360 days of the effective date of the settlement to ensure that effective communication occurs with LEP applicants.

The two budget requests are intended to address both of these settlement proposals:

- The budget request of \$2.333 million (\$1.167 million General Fund) and 11 positions would enable DSS to eliminate the backlog of Medi-Cal medically needy applications and to keep pace with incoming applications. The backlogged cases will begin to be addressed in the current year with overtime. Additional overtime hours combined with the 11 limited-term positions in the budget year will allow elimination of the remaining backlog by the end of 2007-08.
- The budget request of \$650,000 (\$325,000 General Fund) and four permanent positions will enable DSS to obtain needed information from LEP Medi-Cal medically needy disability applications via telephone translation service. The annual cost of conducting the application process completely in writing for LEP medically needy applicants is estimated at over \$3 million. The alternative proposed by DSS would have the applicant respond to written requests for information by completing the form and then telephoning DSS where a three-way call with the applicant, DSS staff, and a telephone interpreter services will be initiated. This process is also expected to expedite the processing of the applicant's claim since obtaining written translation would result in delays.

PANELISTS

- Department of Social Services
- Department of Finance
- Legislative Analyst's Office

4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

ISSUE 1: NATURALIZATION SERVICES PROGRAM**BACKGROUND**

The budget includes \$3.0 million for the Naturalization Services Program (NSP). This program assists legal permanent residents obtain citizenship. The Urban Institute estimates that approximately 2.7 million Californians are eligible for but have not applied for citizenship.

The NSP assists legal permanent residents obtain citizenship. This program funds local organizations that conduct outreach, intake and assessment, citizenship application assistance, citizenship testing and interview preparation. In 2006, the program is expected to assist an average of 12,000 individuals in the completion of citizenship applications. The program spends an average of \$166 per client. Total funding for the program in 2006-07 is \$3.0 million General Fund. Positive outcomes as a result of NSP and citizenship include improved employment opportunities for citizens, and reduced caseload for state-only programs such as the Cash Assistance Program for Immigrants (CAPI), as citizens may qualify for the federally-funded Supplemental Security Income (SSI) program.

Catholic Charities of California provides this additional information about NSP:

- Since the first \$2 million budget appropriation for NSP in 1996, the State has committed more than \$26 million to the program through the annual budget bill process. Over 90,000 citizenship-eligible residents have been served by the resulting provider network.
- This funding represents “seed money” to the many non-profit community-based organizations throughout the State as they assist citizenship-eligible Californians in the completion of their naturalization applications. These non-profits, in turn, enlist the financial and logistical support and volunteer services of local governments, businesses, community groups, labor unions, and others.

The Administration indicates the California Department of Education (CDE) budget includes approximately \$660 million in 2006-07 for Adult Education programs that, among other things, authorize naturalization services. Specifically, the CDE indicates current year funding for English Literacy and Civics (EL Civics) Education (which includes Citizenship Preparation Education (CPE)) is approximately \$18 million, Federal English as a Second Language (ESL) (which includes ESL-Citizenship) is approximately \$42 million, and Adult Secondary Education (of which State ESL-Citizenship is a part) is approximately \$600 million. According to the Administration, at this time data detailing spending specifically attributable to naturalization services, as well as the number of immigrants who have completed citizenship applications as a result of these programs, is unavailable. For example, an ESL class may have ten students, but only three may be in the process of becoming naturalized citizens.

However, according to information on the CDE website, enrollment in Adult Education ESL Citizenship classes was less than 5,200 in 2002-03. In addition, Adult Education funding is used for a wide variety of other programs, including High School/GED, vocational education, programs for older adults or adults with disabilities.

Nonetheless, in addition to traditional classroom activities, the CDE indicates the following activities are authorized under this funding:

- Activities that support outreach and recruitment of legal permanent residents who are eligible for citizenship.
- Preparation and assistance activities necessary to successfully complete the naturalization application and interview process.
- Child care and transportation for participants in CPE activities.

The CDE indicates that in addition to being authorized, these activities are encouraged and are taking place statewide at community colleges, adult education centers, faith and community-based organizations (CBOs), and various non-profit entities.

Advocates indicate that NSP is better aligned with the communities it serves than the CDE-sponsored programs. NSP has deeper roots in the communities and immigrants tend to trust their local CBOs as opposed to an adult education center. NSP also differs from the CDE programs because it allows for more services to be provided than just civics classes. NSP allows outreach, application assistance, referrals to classes and in some cases legal assistance.

PANELISTS

- California Immigrant Policy Center
- Department of Community Services and Development
- Department of Finance
- Legislative Analyst's Office

4170 DEPARTMENT OF AGING

ISSUE 1: CASELOAD ESTIMATES

BACKGROUND

On March 8, 2007, the Senate Subcommittee No. 3 discussed the caseload and fiscal data that the California Department of Aging (CDA) is required to report to the Legislature by January 10 of each year. Sub. 3 directed the Legislative Analyst's Office (LAO) to work with CDA to determine what data from CDA would be helpful in the Legislature's budget decision-making process. Sub. 3 also asked CDA to report back on how the data that is currently collected by CDA could be used more strategically.

The 2005 Budget Act required the CDA to submit a caseload and funding report for all programs to the Legislature by January 10 of each year. Although the CDA has complied with the requirement, the data is not proving to be useful in policy and budget development. It is important that the Legislature have relevant data in order to make informed decisions about the best investments to make in the long-term care system.

LAO REVIEW AND RECOMMENDATION

In reviewing the current state report submitted by CDA, the LAO found that a majority of the data provided in the state report is preliminary because of the January 10 due date. Additionally, the CDA does not forecast caseload growth, so the reported budget year caseload is the same as the most recent estimate of the current year caseload. The LAO notes that CDA conducts a manual data collection for this report, so preparing the report represents substantial workload.

In reviewing the federal reports required to be submitted by the CDA, the LAO found that the report only includes data on those programs that receive federal funds. However, the report includes some demographic data that is not provided on the state report. The federal report is due by January 31 and includes actual data for the prior fiscal year. The LAO notes that this report is also produced by manually collecting the data.

The LAO notes that CDA produces program fact sheets for all state and federal programs that they administer. These fact sheets provide the same level of data that is provided in the federal report. They also provide expenditure and caseload data, but do not provide caseload estimates for the current or budget year. These fact sheets are typically completed by March 15 each year; however, CDA will not meet the March 15 time frame this year due to the manual workload associated with producing both the state and federal reports.

The CDA is currently in the process of implementing a web-based database, the

California Aging Reporting System (CARS), which CDA informed the LAO would eliminate much of the workload associated with the state and federal reports because the manual data collection would be eliminated. CARS is scheduled to be completed by March of 2009.

The LAO recommends that the requirement to produce the state report be suspended until January 2010 and that in the interim, CDA data be provided by the program fact sheets. At that point in time, CDA's automated data collection system will be fully operational and the Legislature can consider whether to permanently eliminate the state data report. The LAO also recommends that the program fact sheets be provided by March 1 rather than March 15. This would give the Legislature time to consider the data as part of the budget subcommittee process and still provide a realistic deadline for CDA to compile the fact sheets since the state report would be suspended.

PANELISTS

- Legislative Analyst's Office
- California Department of Aging
- Department of Finance

ISSUE 2: REQUESTS FOR FUNDING**BACKGROUND**

The following requests have been submitted to the Subcommittee. The requests are outlined below and each advocate on the panel will be asked to present the request.

SENIOR COMPANION AND FOSTER GRANDPARENT PROGRAMS

The request to restore state funding to the Senior Companion Program (\$1.7 million) and allow an augmentation for the Foster Grandparent Program (\$1.1 million).

According to the advocates, "These Programs mobilize low-income seniors to do substantial volunteer work. Senior Companions provide 20 hours per week of volunteer friendship and light respite care to frail elders to enable them to live independently in their homes. Foster Grandparents provide 20 hours per week of volunteer one-on-one tutoring and mentoring to children with special needs and at-risk youth to improve academic and social performance. These are important federal programs that leverage state matching funds into thousands of hours of senior volunteer service for state-funded agencies and community programs. For example, restored state funding means Senior Companions will save Medi-Cal an estimated \$28.5 million annually by keeping low-income frail elderly living in their homes and out of state-funded nursing facilities."

"For 20 years, from 1983 to 2003, California supported Senior Companion and Foster Grandparent Programs to grow them. In 2003, in response to the budget crisis, state Senior Companion funding was reduced from \$2.1 million to \$0.4 million and all \$1.1 million of state funding for Foster Grandparents was eliminated." Advocates contend that state dollars can mobilize seniors for 680,000 hours of annual community service directed at the most vulnerable citizens through 35 Senior Companion and Foster Grandparent projects eligible for state funding. More than 400 additional low-income Senior Companions will provide 413,000 hours of light respite care to 2,400 very poor and frail elders so that they can continue living independently in their homes. More than 275 additional low-income Foster Grandparents will provide 267,000 hours of one-on-one mentoring and tutoring to 1,650 children in need and at-risk youth.

Advocates states that, furthermore, surveys of teachers demonstrate that Foster Grandparents in the classroom improve academic performance and self-esteem of children in need and at-risk youth by 75% and more.

SENIOR NUTRITION PROGRAM

The following request from advocates is for \$6.46 million in General Fund to support senior nutrition programs.

"Every day nearly 180,000 seniors receive nutritious meals from caring, committed service providers. Across California, community-based groups are providing over 18 million meals to elderly, often frail people either through home delivery or at congregate meal locations. These non-profit organizations operate in every county in the state; working in densely populated urban settings as well as sparsely populated rural areas.

Meal recipients are older than most, averaging over 75 years old. The majority are older women. Often these seniors live alone and these meal visits are many times the only socialization opportunities these seniors have all day. In many cases, the meals provided are the only nutritionally balanced meal of the day. But the service assists seniors in other ways than just a good meal. Because good nutrition is essential for good health for frail seniors, the meals' help people stay healthy and reduces the need for more intense chronic and acute healthcare services. They are able to live independently in their communities rather than be placed in a high cost institutional/medical setting prematurely. Because many recipients live on very limited incomes, these meals allow them to stretch scarce resources helping them make ends meet. And the program gives homebound seniors regular contact with caring volunteers and committed staff which can often be the gateway to other important social and health services and a lifeline for elders in an emergency.

With California facing a rapidly growing senior population, most providers have been forced to cut costs and stretch funding to meet the growing need. From 4.7 million in 2000, the number of seniors will grow to 6.4 million in just three years and will be double that number – 12.5 million – in just three more decades. But even in the face of this growing demand, nutrition programs have been financially starved and are cutting services, adding to long waiting lists, and are forcing them to ask very low-income seniors to voluntarily contribute more for their meals. Government funding has not kept pace with inflation nor has it taken into account the rising food and other operational costs. Federal Funding has been flat since the early 1980's. Recently, fuel costs have skyrocketed increasing the cost of food vendor deliveries and delivery fleet expenses for these service providing organizations as well as making it harder to retain volunteer drivers who must absorb the higher costs of gasoline. In many areas of the state utility costs have risen over recent years. And now the non-profit meal providers are faced with mandated minimum wage increases. Many are at the edge and could be forced to take drastic steps to operate at current levels.

In 2006-2007, senior nutrition programs receive \$71,462,111 in state and federal pass through funds (which equates to approximately \$3.86 per meal served in the state). Participant donations, corporate gifts and monies raised through local fund raising are used to leverage these funds. But funding through the state budget is the cornerstone of their operations.

For 2007-2008, nutrition programs and senior advocates are urging the state to supplement public spending by an average of \$0.35 per meal, or approximately \$6,466,737 dollars. This would increase public funding for programs to \$77,928,848. We would further support budget trailer bill language to allocate funds to recognize different costs for delivered versus congregate meals, slightly higher transportation costs of rural providers, and a commitment that additional funding for nutrition programs would not supplant local funds or be used for other programs at the local level."

LINKAGES PROGRAM

Advocates are requesting \$1.85 million GF for the Linkages program.

"The goal of the Linkages Program is to prevent unnecessary institutionalization of seniors and disabled adults by assisting them to remain living in a home environment. Linkages is a General Fund program, which currently serves 3600 "at risk" adults throughout California. Linkages, which is administered through the local Area Agency on Aging (AAA) is an integral part of the Home and Community Based system of care.

Historically, Linkages was established in FY 1985-1986 with 13 pilot sites of 200 clients each. It was a multi-disciplinary approach, and utilized coordinated care management services of nurse and social worker care managers. Due to the California recession, Linkages sites were cut to 75-100 clients in FY 1990-1991, and remained frozen at that funding level for nine (9) years. As part of AB2800 in FY 1998-1999, Linkages was expanded to ensure a site in every AAA, which resulted in an increase from 13 to a total of 37 sites. In spite of this expansion, funding for individual sites remained stagnant at the FY 1990/1991 level.

Linkages received a 7% funding increase spread over FY 1999/2000 and FY 2000/2001. While many sites have been able to augment funding to some degree through Targeted Case Management and Handicapped Parking fines, these funds have proven insufficient to meet the escalating costs of doing business. As such, most Linkages has been forced to eliminate the vital nursing component in most programs; reduce purchase of services to improve the clients' ability to remain independent severely; and in some cases has become a financial burden to the host agency and is thus at risk of elimination.

As a critical component of the Home and Community Based Services, referrals are frequently received from In-Home Supportive Services (IHSS) and Adult Protective Services (APS) to provide ongoing care management services for disabled adults and seniors. The acuity of the cases has substantially increased, as Linkages is forced to prioritize intakes to meet those of the most severe need.

Unfortunately, due to budget constraints, Linkages programs have been unable to recruit experienced clinical staff to respond to the increased acuity of client needs, and have all but lost the ability to purchase services critical to assist disabled seniors and adults to avoid nursing home placement. Immediate augmentation is needed to preserve this lynchpin program which can assist California to meet the requirements of the Olmstead Decision. For this reason, we are requesting a \$50,000 per site increase in funding, to partially restore the ability to recruit and hire qualified staff, as well as improve purchase of services options. This would result in a General Fund increase of \$1.85 M."

LEGAL SERVICES HOTLINE

The Legal Services Hotline incurs expenses of \$571,911 and is requesting an augmentation to support the hotline.

"Legal aid is an often overlooked senior service, taken for granted but vitally important. Low-income seniors have special legal needs that often aren't met by other legal aid programs. A well-functioning system of legal assistance for seniors is the key to obtaining and securing many other rights, maintaining health access and independence, protecting assets, preventing and fighting abuse, and much more. It can also save government money in many way, [particularly with] a huge increase in the senior population around the corner.

The statewide Senior Legal Hotline (SLH) efficiently handles a large volume of cases using phone, mail, fax and Internet, freeing time and resources at overburdened local programs to help more of the neediest with representation and to conduct community education. Its statewide perspective has also led the hotline to assume a central role in coordination, training and communication among the state's 38 local senior legal providers. It is quick to notice and respond to trends affecting large numbers of California seniors.

Recent needs surveys in Georgia, Utah and Florida found an easily accessible hotline to be the No. 1 legal service requested by seniors. In 15 states, mechanisms have been developed to fund statewide senior legal hotlines. Amounts range up to more than \$700,000 a year in Texas.

Even without state funding until now, California's SLH has become the largest in the country and is considered a national model and leader in quality, efficiency, and innovation. It handled nearly 20,000 cases in 2005-06. With sufficient resources, these numbers would be much higher, but instead they are falling due to lost federal funding, and California seniors are at risk of losing the program altogether.

California's SLH began under a federal Administration on Aging (AOA) "demonstration grant" in 1994. Amid tough competition, it received four more, the most of any state. But that funding has proven sporadic, unreliable, and it always badly shortchanged California by failing to scale for population. Then in 2006, AOA changed the rules, and SLH was unable to re-apply when its last federal grant ended. As a result, SLH staff has been decimated. Service levels are down, and dozens of callers each day can't get through. A 2002 state task force, created by AB 830 to study senior legal services, recommended core state support for a) local programs; b) a statewide hotline; and c) Dept. of Aging development functions. Creation of that full system remains to be achieved. But right now, California is at risk of losing entirely a crucial component of the recommended solution unless a small amount of state funding can be found."

PANELISTS

- Derrell Kelch, California Association of Area Agencies on Aging
- Tom Reeve, Association of Foster Grandparent/Senior Companion Programs
- Colleen Brock, California Association of Nutrition Directors for the Elderly
- Janet Heath, Linkages Site Association
- David Mandel, Senior Legal Hotline
- California Department of Aging
- Department of Finance
- Legislative Analyst's Office