Senate Budget and Fiscal Review—Nancy Skinner, Chair

SUBCOMMITTEE NO. 3 Agenda

Senator Susan Talamantes Eggman, Ph.D, Chair
Senator Melissa Melendez
Senator Richard Pan, M.D.

Tuesday, March 2, 2021
1:30 p.m.
State Capitol - Room 3191

Consultant: Renita Polk

PUBLIC COMMENT

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling (916) 651-1505. Requests should be made one week in advance whenever possible.

4170 CALIFORNIA DEPARTMENT OF AGING (CDA)
5180 DEPARTMENT OF SOCIAL SERVICES (DSS)

Issue 1: COVID-19 Response in the Home-Bound Senior Population

Governor's Proposal. The Governor's budget includes both state and federal funds to respond to the COVID-19 pandemic at CDA and DSS.

The federal stimulus funds passed to date provided needed funding for aging programs for older adults so that they had access to services while they are under stay-at-home orders. The Families First Coronavirus Response Act (FFCRA) provided funding for the Older Americans Act (OAA) Senior Nutrition programs. The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided funding for OAA Senior Nutrition programs, Supportive Services and Family Caregiving, ADRC programs, and Long-Term Care Ombudsman programs.

State Operations & Local Assistance	**2019-20 Actual Expenditures**			
Program	**Older Americans Act**	**FFCRA**	**CARES**	**TOTAL**
Title IIIB- Supportive Services	$42,174,000	$0	$18,834,000	$61,008,000
Title IIIB- Ombudsman	$41,366,000	$7,945,000	$0	$49,311,000
Title IIIC1- Congregate Nutrition	$41,746,000	$7,945,000	$0	$49,691,000
Title IIIC2- Home Delivered Nutrition	$36,100,000	$16,487,000	$45,155,000	$97,742,000
Title IIID- Preventive Health	$3,062,000	$0	$0	$3,062,000
Title IIIE- Family Caregiver	$20,799,000	$0	$9,297,000	$30,096,000
Title VII Ombudsman	$1,658,000	$0	$1,881,000	$3,539,000
Title VII Elder Abuse Prevention	$499,000	$0	$0	$499,000
Nutrition Services Incentives Program (NSIP)	$13,550,000	$0	$0	$13,550,000
TOTAL, State Operations & Local Assistance	**$200,954,000**	**$32,377,000**	**$75,167,000**	**$308,498,000**

* Reflects actual expenditures only and does not include any encumbrances for 2019/20.

State Operations & Local Assistance	**2020-21 Budget**			
Program	**Older Americans Act**	**FFCRA**	**CARES**	**TOTAL**
Title IIIB- Supportive Services	$39,832,000	$0	$1,836,000	$41,668,000
Title IIIB- Ombudsman	$2,296,000	$0	$0	$2,296,000
Title IIIC1- Congregate Nutrition	$42,824,000	$0	$418,000	$43,242,000
Title IIIC2- Home Delivered Nutrition	$32,650,000	$0	$5,840,000	$38,490,000
Title IIID- Preventive Health	$2,448,000	$0	$0	$2,448,000
Title IIIE- Family Caregiver	$18,492,000	$0	$0	$18,492,000
Title VII Ombudsman	$1,872,000	$0	$200,000	$2,072,000
Title VII Elder Abuse Prevention	$471,000	$0	$0	$471,000
Nutrition Services Incentives Program (NSIP)	$13,157,000	$0	$0	$13,157,000
TOTAL, State Operations & Local Assistance	**$154,042,000**	**$0**	**$8,294,000**	**$162,336,000**

The latest stimulus funding in the Federal Fiscal Year 2021 Budget (H.R.133 - Consolidated Appropriations Act, 2021) includes a total of $168 million for Senior Nutrition Programs, and $100 million for Elder Justice funds, including Long-Term Care Ombudsman programs, for all states. CDA is awaiting the allocation amounts for these programs from the federal Administration for Community Living.

The Governor's budget includes a total of $63.9 million total funds for COVID response within the In-Home Supportive Services (IHSS) program in 2020-21 and $11.2 million in 2021-22. Savings of $456.2 million in 2021-22 and $842.6 million in 2020-21 were observed due to the temporary Federal Medical Assistance Payment (FMAP) increase provided by federal COVID relief legislation. Highlights of the state's COVID response within the IHSS program are listed below.

- COVID-19 Backup Provider System. The Governor's Budget includes $15.7 million ($8.0 million General Fund) in 2020-21 and $7.8 million ($4 million General Fund) in 2021-22 as additional funding to counties to continue operating the COVID-19 county emergency provider back-up systems. An additional $1.3 million General Fund is for service costs. These systems facilitate the process of finding back-up providers for IHSS recipients that would cover for those providers that are out due to COVID-19-related reasons.

- COVID-19 Backup Provider Wage Differential. The Governor's budget includes $6.7 million ($2.7 million General Fund) in 2020-21 and $3.3 million ($1.3 million General Fund) in 2021-22 to pay COVID-19 IHSS emergency back-up providers a $2.00 per hour differential on top of the regular county negotiated hourly wage.

- Temporary FMAP Enhancements. As outlined in The FFCRA, the federal government is providing a temporary 6.2 percent increase in the FMAP reimbursement rate for federally eligible Title XIX service expenditures. Application of the enhanced rate will result in a projected $842.6 million in General Fund savings in 2020-21 and $465.2 million in General Fund savings in 2021-22 for IHSS.

Background. Based on data from 2018[1], there were 8.2 million adults age 60 or older in California. Of those, 1.5 million lived alone, and 1.2 million were 100 percent below the federal poverty level. Beginning in March 2020, the Administration pivoted towards rapid response efforts to help protect the lives of these vulnerable Californians.

Senior Nutrition Programs. Under the CARES Act, states were allowed additional program flexibility for nutrition programs. States were allowed to transfer up to 100 percent of funding from congregate to home-delivered meals programs without prior federal approval to provide home-delivered meals to individuals homebound for social distancing purposes, and temporarily waive certain dietary guidelines for meals. The 33 Area Agencies on Aging (AAAs) adapted by reinventing and expanding nutrition services. Congregate meal programs were transformed to serve older adults through meal pick-up and home-delivery. In 2020, there were a record 27 million meals delivered to older Californians. This represents a 51% increase over 2019 numbers (17.8 million). In April, the Governor announced the Great Plates Program, which partnered with local governments and the Federal Emergency Management Agency (FEMA) to provide delivered meals to seniors at no cost to

[1] https://aging.ca.gov/download.ashx?lE0rcNUV0zYeAlJo7upINg%3d%3d

them. Note that the Great Plates program is administered by the Governor's Office of Emergency Services.

Virtual Home and Community Based Services. Community-Based Adult Services (CBAS) are day health programs that provide services to 37,000 older adults and adults with chronic conditions and/or disabilities. Due to the COVID-19 outbreak, CBAS centers were allowed to provide services through video conferencing, the phone, and door-step deliveries, as well as very limited in-center services that adhered to COVID-19 safety guidelines. The services to the frailest adults through Multipurpose Senior Services Program (MSSP), allowed for temporary suspension of home visits and virtual care as allowable methods for conducting care management activities. Waiver funds were also approved for purchases of masks and urgent needs for personal hygiene supplies.

Long-Term Care Ombudsman (LTCO) Program. The CARES Act provided flexibility in the LTCO program by allowing ombudspersons to have continued "direct access (or other access through the use of technology) to residents in long-term care facilities" during the public health emergency. Services moved to virtual, and out of residential facilities, in the wake of the pandemic. . The LTCO Program has a 24-hour toll free line to assist residents in LTC facilities and their families with issues related to day-to-day care, health, safety, and personal preference. The LTCO Program has reported between 1,500-2,000 calls per month since the onset of the pandemic. In August 2020, the LTCO Program provide guidance for local LTC Ombudsman to re-enter facilities and by October 2020 all local health jurisdictions had cleared LTCOs to resume in-person visits following health guidelines including social distancing and utilizing personal protective equipment (PPE). In December 2020, there were 1,600 on-site visits made to facilities statewide.

Information and Assistance. CDA upgraded the California Aging and Adults Info Line answered by local AAAs to meet the increased volume of calls from older adults. CDA also mailed a postcard mailer to Californians age 80 and older with information on the resources available to Stay Home and Stay Connected during the pandemic, in partnership with AARP and DMV (a total of 18 million resource cards were mailed). Resource telephone lines included 211, Friendship Line, Long Term Care Crisis Line, AARP Fraud Hotline, and several other aging and adult services, as well as info on accessible and in-language resources.

Equity and Isolation Prevention. CDA has worked to ensure that older Californians are provided with the social and emotional care needed while staying home during the pandemic. CDA contracted with the Institute on Aging to expand statewide the "Friendship Line" which is a 24-hour hotline that isolated older adults can call and speak to trained staff and volunteers, to prevent loneliness, isolation, and suicide. 71,000 Friendship Line calls were received from April 2020 through December 2020. During this pandemic, access to reliable internet and digital devices have been critical tools necessary to remain socially connected while physically distancing. As older Californians continue to stay home to save lives during the pandemic, CDA has made bridging the digital divide to combat loneliness and isolation a top priority. CDA has leveraged public-private partnerships with AT&T and Google to provide tablets and smart speakers to thousands of older Californians who are low income and live alone. Google has donated 8,500 smart speaker devices which have been distributed to local Area Agencies on Aging (AAAs) and Multipurpose Senior Services sites to distribute to their clients. CDA has also entered into an agreement with AT&T to purchase 4,000 iPad tablets that will be provided to AAAs to distribute to low-income older adults who live alone.

In-Home Supportive Services (IHSS) Program. In response to COVID-19 DSS shifted its operations on many fronts to ensure the safety of IHSS recipients, providers, and county staff. The department implemented a backup provider system to ensure recipients received services even when their primary provider was out due to COVID-19. The department also suspended requirements concerning overtime rules, parent providers, provider enrollment, in-person reassessments, and quality assurance visits. The department permitted providers with paid sick leave to take care of themselves or family members affected by COVID-19. DSS also helped to provide masks, gloves, and other protective equipment to providers and recipients to ensure recipients could remain safely in their homes while receiving services during the pandemic.

Panel. In addition to the Department of Aging (CDA), the Department of Social Services (DSS), the Department of Finance (DOF), and the Legislative Analyst's Office (LAO) the Subcommittee has requested the following panelists to provide comment on this topic.

- Cathy Senderling, Executive Director, County Welfare Directors Association
- Clay Kempf, Executive Director, Seniors Council of Santa Cruz and San Benito Counties
- Kelly Dearman, President, California Association of Public Authorities for IHSS and Executive Director, San Francisco IHSS Public Authority

Questions.

For CDA:

1. How have CDA's programs transitioned to supporting home-bound adults during the pandemic?
2. Please speak to how the additional federal relief funds have been used to support CDA programs and older Californians during the pandemic. What lessons have been learned that could guide future efforts to support older Californians?
3. Please discuss the role that senior isolation has played in CDA's planning efforts during the pandemic.

For DSS:

1. Please detail how the department had to shift its operations to respond to the COVID-19 pandemic within its programs that serve populations particularly vulnerable to COVID-19.
2. Has the current pandemic provided insight into the successes of the IHSS program (or other programs serving the senior population) and how its operations can be modified to better support the needs of older adults in the future?

For Cathy Senderling:

1. Please describe some of the challenges counties have experienced in providing services to older adults during the pandemic. Are there particular issues that the pandemic has created or exacerbated for counties?

2. How have counties used the federal COVID relief funds to help serve older adults?

3. While the promise of vaccines will help in addressing the COVID pandemic, it is clear that the effects of the pandemic will be long-lasting. What are some of the long-term issues that counties expect to face in the coming months and years because of the pandemic? Are there suggestions or recommendations for things that the state can do to help address some of these long-term issues?

For Clay Kempf:

1. How have AAAs shifted their operations in response to the COVID-19 pandemic?

2. Please describe some of the challenges AAAs have experienced in providing services to older adults during the pandemic, and how those were resolved. Are there particular issues that the pandemic has created or exacerbated for AAAs?

3. Has the AAA response to the COVID pandemic provided any insight into changes that can be made within the AAA system to better respond to future emergencies?

For Kelly Dearman:

1. Please describe the role of county Public Authorities in the development of the COVID IHSS provider backup system and any challenges public authorities have faced providing emergency backup services.

2. Has the development of this system provided insight into how the state and its partners, such as Public Authorities, can better respond to future emergencies?

4170 CALIFORNIA DEPARTMENT OF AGING (CDA)

With a proposed 2021-22 budget of $258.1 million ($67.9 million General Fund), the CDA administers community-based programs that serve older adults, adults with disabilities, family caregivers, and residents in long-term care facilities throughout the state. As the federally designated State Unit on Aging, the department administers federal Older Americans Act (OAA) programs and the Health Insurance Counseling and Advocacy Program.

California Department of Aging
Expenditures by Fund Source
* Dollars in thousands

Grand Total By Fund	Fiscal Year	
	2020-21	(Proposed Budget) 2021-22
General Fund	$67,514	$67,935
State HICAP Fund	$2,502	$2,509
Federal Funds	$178,937	$171,138
Special Deposit Fund	$2,208	$1,216
Reimbursements	$12,680	$13,039
Department of Public Health Licensing and Certification Program Fund	$400	$400
Skilled Nursing Facility Quality and Accountability Fund	$1,900	$1,900
Total All Funds	$266,141	$258,137

Issue 1: Budget Investments to Support the Master Plan on Aging

History of the Master Plan on Aging. In June 2019, Governor Newsom issued an executive order calling for the creation of a Master Plan for Aging (MPA). This plan was spurred, in large part, by the projected growth of California's over-65 population to 8.6 million by 2030. The CDA has taken a lead role in developing the MPA.

Between September 2019 and October 2020, the CDA oversaw the Together We Engage Campaign, which collected input from the public, stakeholders, and partners through pledges, surveys, meetings, webinars, and community roundtables. Public opportunities included the Together We Engage pledge and survey to identify Master Plan priorities (summer 2019); Webinar Wednesdays to hear from experts and gather community input on specific topics (winter 2020), and an Equity in Aging Town Hall to address ageism (summer 2020). In addition, the Secretary of the Health and Human Services Agency and director of the department co-hosted roundtables with various members of the Legislature to learn more about issues in their districts.

The California Health and Human Services Agency formed a Stakeholder Advisory Committee

(SAC), a Long-Term Services and Supports Subcommittee, and a Research Subcommittee in August 2020 comprised of 78 members from local government, healthcare providers, health plans, employers, community-based organizations, academia, researchers, and service recipients. The SAC formed an Equity Work Group in December 2020, tasked with ensuring that equity is fully integrated into the Master Plan.

Throughout the stakeholder engagement process, these committees and the Administration received over 240 policy recommendation letters submitted by stakeholder organizations and over 1,000 public comments. This engagement process culminated in the SAC's submission of an Equity Tool and Glossary, a Long-Term Services & Supports Stakeholder Report, a Livable Community and Purpose Stakeholder Report, a Health and Well-being Stakeholder Report, and an Economic Security, Safety, and Emergency Preparedness Stakeholder Report. The final MPA was released on January 6, 2021.

Five Goals for 2030. The Master Plan for Aging presents a comprehensive approach for every Californian to help build a California for All Ages by 2030. The plan identifies five goals and 23 strategies for state and local leaders in government, business, philanthropic, and community-based organizations to collaborate. The Master Plan for Aging is considered to be a living document for the long-term.

1. Housing for All Ages and Stages.

2. Health Reimagined.

3. Inclusion and Equity, not Isolation.

4. Caregiving that Works.

5. Affording Aging.

2021 Governor's Human Services Budget Investments to Address Aging. The Governor's January budget proposes new investments to many programs, some within the human services arena, to advance the goals of the MPA. It includes both overarching proposals to advance a California for All that will benefit all Californians as we age, as well as targeted new, and continuing, investments in aging. These investments are proposed across multiple departments in the California Health and Human Services Agency, including CDA. Targeted investments within the human services field include:

- Aging and Disability Resource Connection (ADRC). The budget includes a half-year augmentation of $5 million General Fund in 2021-22 and a half-year augmentation of $5 million General Fund in 2022-23 to maintain and expand the ADRC. This proposal is discussed in more detail later in this agenda.

- Senior Nutrition. The Governor's budget proposes to extend the suspension date for $17.5 million General Fund for the Older Americans Act Senior Nutrition program that was originally set to suspend on December 31, 2021. The Governor's budget proposes to extend funding for these programs until December 31, 2022, which will enable local Area Agencies on Aging (AAAs) to expend the full $17.5 million in 2021-22. The program provides both home-delivered and congregate meals at community and senior centers, nutrition education, and nutrition-risk screening to individuals 60 or older.

- Expand Facilities to Support Housing. The Governor's budget includes $250 million one-time General Fund for the Department of Social Services (DSS) to acquire and rehabilitate Adult Residential Facilities (ARFs) and Residential Care Facilities of the Elderly (RCFEs) with a specific focus on expanding housing for low-income seniors who are homeless or at risk of becoming homeless. This issue was discussed during the Subcommittee's February 9, 2021 hearing.

- Placeholder Funding. The Governor's budget includes $5 million General Fund in placeholder funding for spring proposals to further implement the Master Plan for Aging.

Staff Comment and Recommendation. Hold open.

Questions.

1. Please provide an overview of the budget investments relating to the MPA.

2. How does the Administration envision using the $5 million placeholder MPA funding?

3. How will CDA collaborate with other departments, both within the California Health and Human Services Agency and outside of it, to forward the Master Plan for Aging's goals? Given that multiple departments and agencies are implementing MPA initiatives, how will the Administration keep the Legislature be updated on these initiatives? What is the department's plan to achieve the longer term goals of the MPA?

Issue 2: BCP/TBL – Aging and Disability Resource Connections

Governor's Proposal. The Governor's budget includes a half-year augmentation of $5 million General Fund in 2021-22 and a half-year augmentation of $5 million General Fund in 2022-23. The funds would be used to maintain and expand the Aging & Disability Resource Connection (ADRC) Infrastructure Grants Program for a Statewide "No Wrong Door" system subject to suspension on December 31, 2022. If not suspended, resources are requested to continue at an ongoing full-year funding level of $10 million General Fund.

The budget also includes trailer bill language to delay the suspension of additional funding provided in the 2019 budget for this program and Senior Nutrition programs until December 31, 2022. Rather than executing the suspension calculation this May (under current law), the Governor's budget proposes a new suspension calculation at May Revision in 2022. Specifically, the Governor proposes that the Legislature enact new suspension language that would give the Department of Finance (DOF) the authority to make this calculation again at the time of the May Revision in 2022.

Background. Since many communities currently have multiple agencies administering long-term services and supports (LTSS) and have complex, fragmented, and often duplicative intake, assessment, and eligibility functions, ADRCs are intended to act as a single coordinated system of information and access for persons seeking LTSS. The "No Wrong Door" system aims to lower the barriers that older Californians, people with disabilities, caregivers, and families face accessing the information and assistance needed to age well. Getting timely, accurate information is critical to avoiding costly institutional care, preventing health and safety emergencies, and seeking aid during disasters. The establishment of a statewide ADRC program was a key recommendation from the Master Plan on Aging (MPA) stakeholder committee. Through existing local ADRC programs, older adults, people with disabilities, caregivers, and families in some communities can connect to and access multiple services in their community with a single phone call, online contact, and/or walk-in.

Through the person-centered care model, individuals initially meet with an ADRC navigator who seeks an individual's needs, goals, and preferences and offers a choice of available options. The navigator/specialist then refers the individual to local programs in their area through warm handoffs and schedules regular follow-up sessions to see how the individual is doing and if additional support is needed. The program is also able to arrange for transportation between an individual's home and long-term services and support through a coordinated network of providers. The ADRC program enables older adults and people with disabilities to seamlessly navigate and access aging and other programs that already exist in their communities, receive assistance understanding the service options, and having a person-centered professional customize a service plan specifically to meet their needs, goals, and preferences based on initial intake and ongoing follow-up sessions.

Previous Budget Actions. The 2019 Budget Act included a $5 million annual General Fund augmentation, subject to suspension on December 31, 2021, for the ADRC Infrastructure Grants Program to support designated and emerging ADRC programs within Area Agencies on Aging (AAAs) and Independent Living Centers (ILCs). The current service level includes half-year funding of $2.5 million for the first six months of 2021-22. Of the $5 million annual augmentation, the current program provides $4.25 million annually to local ADRCs for developing and implementing a NWD System and bolstering local infrastructure for coordination and delivery of LTSS. $750,000 annually is allocated to CDA for program oversight, administration, training, guidance, and technical assistance to local ADRCs and stakeholders.

Federal Funding. Federally, ADRCs are supported by the Administration on Aging (AoA), the Administration for Community Living (ACL), the Centers for Medicare and Medicaid Services (CMS), and the Veterans Administration. However, federal grant funding for starting an ADRC is not available. Along with funding provided by the ADRC Infrastructure Grants Program, the Designated and Emerging ADRCs utilize a combination of county, state, and federal funding that is available due to their status as ILCs and AAAs to sustain local ADRCs. Recently, ADRCs received approximately $3 million from the Coronavirus Aid, Relief, and Economic Security (CARES) Act for enhancing coordination across agencies and programs/services to address urgent needs arising from the COVID-19 pandemic. That funding was allocated in September 2020. The six designated and ten emerging ADRCs each received a base allocation of $85,000, while the balance was allocated based on population, square miles, and geographic isolation.

Staff Comment and Recommendation. Hold open.

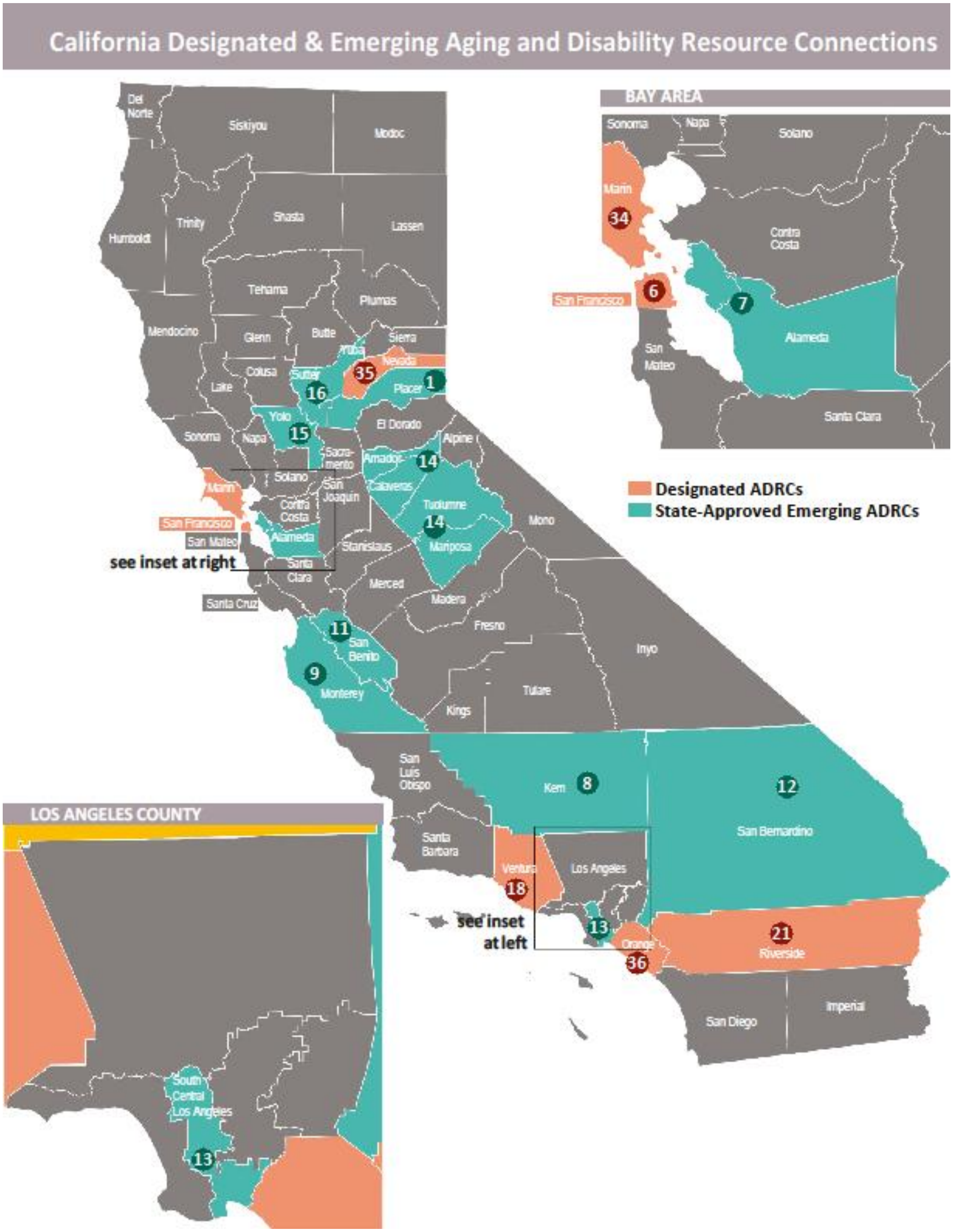
Questions.

1. Please provide an overview of the proposal.

2. Will this funding help to spread ADRCs throughout the state so that all Californians have access to their services? How many new ADRCs will the requested funding support and how are those chosen?

3. What has been the impact of the new ADRCs developed with the 2019 funding? How many communities will remain without an ADRC after this funding is exhausted?

4. As the funding for developing these new ADRCs is tied to the Administration’s proposed suspension language, is the department planning for what happens if this funding is eliminated?


California Designated & Emerging Aging and Disability Resource Connections
BAY AREA
Sonoma
Napa
Solano
Marin
34
Contra Costa
San Francisco
6
7
Alameda
San Mateo
Santa Clara
Designated ADRCs
State-Approved Emerging ADRCs
Del Norte
Siskiyou
Modoc
Trinity
Shasta
Lassen
Humboldt
Tehama
Plumas
Mendocino
Glenn
Butte
Sierra
Yuba
Nevada
35
Colusa
Sutter
Placer
1
Lake
16
Yolo
El Dorado
15
Sonoma
Napa
Alpine
Sacramento
Amador
14
Solano
Marin
San Joaquin
Calaveras
Contra Costa
Tuolumne
14
Mono
San Francisco
Alameda
San Mateo
Stanislaus
Mariposa
see inset at right
Santa Clara
Merced
Madera
Santa Cruz
Fresno
11
San Benito
Inyo
9
Monterey
Tulare
Kings
San Luis Obispo
Kern
8
12
San Bernardino
Santa Barbara
Ventura
Los Angeles
18
see inset at left
13
Orange
36
21
Riverside
Imperial
San Diego
LOS ANGELES COUNTY
South Central Los Angeles
13

PROPOSALS FOR INVESTMENT RELATED TO DEPARTMENT OF AGING

The Subcommittee has received the following proposal for investment related to the Department of Aging. Note that proposal sponsors provided all information below, aside from staff comments and recommendations.

1. Provide Permanency to the Annual Multipurpose Senior Services Program (MSSP) Budget

Budget Issue. The MSSP Site Association requests $24.7 million General Fund ongoing to make permanent a temporary rate increase for MSSP providers set to expire June 30, 2022.

Background. MSSP received a one-time supplemental increase in 2019, which allowed MSSP contractors to stabilize a program that was deteriorating due to deficient funding and increases in patient acuity. This supplement will expire on June 30, 2022. If programs must revert to the insufficient 2018 rates, which have not received a cost of living increase since 2006 and quickly followed by two recession-era cuts totaling 22.5% in 2008 and 2011, there will be a devastating impact upon the frailest, older adults in the state. Therefore, the immediate need is to make permanent the client rate that was established in the Governor's 2019 budget. Without rate permanency, this program, which serves nearly 12,000 frail older adults (65+) in their homes, faces the likelihood of closing sites with the potential disruption of care throughout California. According to the sponsors, stabilized funding will reduce the number of beneficiaries waiting for services (currently 1,500 statewide), maintain experienced and specialty care management staff, and reduce the financial burden on host agencies that may result in the closure of MSSP sites.

Staff Comment and Recommendation. Hold open.

2. Aging Disability Resource Centers (ADRCs)

Budget Issue. The California Association of Area Agencies (C4A) requests $10 million General Fund in 2021-22, $25 million General Fund in 2022-23, and $53 million General Fund in 2023-24 and ongoing to implement a statewide ADRC program.

Background. The proposed funding would be used for the development of additional ADRCs and to allow successful and emerging ADRCs to become fully operational. The proposal would strengthen the role of ADRCs in responding to the needs of older and disabled persons.

Staff Comment and Recommendation. Hold open.

3. Area Agencies on Aging – Administrative Baseline

Budget Issue. The California Association of Area Agencies (C4A) requests $3.3 million General Fund ongoing to provide for the basic operations of Area Agencies on Aging's (AAA) oversight duties and responsibilities.

Background. Currently, there is a $50,000 per year baseline distribution of federal dollars for AAAs, as well as federal funds allocated for programs and services. No adjustment to this baseline allocation has been made since its inception 50 years ago. The proposed increased baseline would help to cover the costs of doing business, allow new opportunities for needed services, and strengthen the administrative activities of AAAs, particularly during the implementation of the Master Plan on Aging. The proposed funding would provide an additional $100,000 for each of the 33 AAAs statewide.

Staff Comment and Recommendation. Hold open.

4. Fall Prevention

Budget Issue. The California Association of Area Agencies (C4A) requests $5 million General Fund in 2021-22, $10 million General Fund in 2022-23, and $15 million General Fund in 2023-24 and ongoing to implement a fall prevention program for older persons living in their homes.

Background. The 2019 Budget Act included $5 million General Fund one-time to provide grants to local AAAs for injury prevention education and home modifications for seniors at risk of falling or institutionalization. The proposed funding would allow AAAs to expand that program to meet the needs of the senior community. The funding would allow homes to be assessed and modified to assist in creating a safe environment for adults.

Staff Comment and Recommendation. Hold open.

5. Senior Nutrition Funding

Budget Issue. The California Association of Area Agencies (C4A) requests $35 million General Fund in 2021-22, $50 million General Fund in 2022-23, and $75 million General Fund in 2023-24 and ongoing to expand the senior nutrition programs.

Background. The proposed funding would allow additional meals to be served to more older adults. Approximately 5.1 million additional meals per year would be provided with the proposed funding.

Staff Comment and Recommendation. Hold open.

6. Senior Nutrition/Meals on Wheels

Budget Issue. The Meals on Wheels (MOW) Association requests $17.5 million in 2021-22 and $35 million annually thereafter for senior nutrition programs.

Background. The level of food insecurity has always been high in the senior population but since COVID-19, food assistance needs in California have increased. Additionally, the pathological features of the COVID virus have required Meals on Wheels programs to significantly alter operations and practices in how they provide meals. Together, these conditions have increased costs and the number of individuals served. A survey of fifty MOW CA programs completed in October 2020 revealed an increase in demand of more than 70 percent, with more than a quarter of respondents indicating more than 100 percent growth. Even once the virus is under control, the state will be facing the long term effects of the pandemic, including a significant increased need for nutrition support among seniors.

Staff Comment and Recommendation. Hold open.

7. Establishment of the Office of the Patient Representative in the Department of Aging

Budget Issue. The California Association of Health Facilities requests $6 million General Fund in 2021-22 and $5.5 million annually thereafter to establish the Office of the Patient Representative within the Department of Aging.

Background. This proposal would establish an Office of Patient Representative housed in the Department of Aging, where the Long Term Care Ombudsman is also housed and funded. The Office of Patient Representative would serve as a clearinghouse for county senior programs including the Area Agencies on Aging, non-profit, faith-based, senior, patient rights, or other types of organizations who are interested in establishing a local program and serving as patient representatives.

On July 22, 2019, the California Court of Appeal issued a decision in the CAHNR v. Chapman case related to Health and Safety Code 1418.8. The Court of Appeal upheld the structure of the code for incapacitated and unrepresented nursing home patients to receive informed consent for their medically-necessary care. However, the court made clear that a patient representative must participate in the interdisciplinary team meetings. This person cannot be affiliated with or paid for by the skilled nursing facility (SNF). According to the sponsors, since the patient representative cannot be affiliated with or paid for by the SNF it will require the state to establish a system whereby individuals can be available to act as patient representatives. A patient representative structure and the funding to pay for the services for all 58 counties must be set up quickly by the Legislature and the Administration to implement the Superior Court ruling. The Office of Patient Representative will address this very time-sensitive and crucial issue.

Staff Comment and Recommendation. Hold open.

5180 DEPARTMENT OF SOCIAL SERVICES – ADULT PROGRAMS

Issue 1: In-Home Supportive Services (IHSS) Budget Summary

Governor's Proposal. The 2021-22 IHSS budget includes $15 billion ($4.3 billion General Fund) in 2020-21 and $16.5 billion ($5.3 billion General Fund) in 2021-22. The 2020-21 budget reflects a decrease of $195.5 million (and a decrease of $171.5 million General Fund). The 2021-22 IHSS budget reflects an increase of $1.3 billion ($841.7 million General Fund) from the 2020 Budget Act, due to continued caseload growth, cost per hour, and hours per case.

The caseload for this program continues to increase. The updated caseload is projected to be 570,411 in 2020-21 and is projected to increase to 592,829 in 2021-22. The updated hours per case are 115.2 in 2020-21 and are projected to increase to 116.5 in 2021-22.

Background. The IHSS program provides personal care services to approximately 610,457 qualified low-income individuals who are blind (1.5 percent), over 65 (36.8 percent), or who have disabilities (61.7 percent). Services include feeding, bathing, bowel and bladder care, meal preparation and clean-up, laundry, and paramedical care. These services help program recipients avoid or delay more expensive and less desirable institutional care settings.

As of December 2020, 15 percent of IHSS consumers are 85 years of age or older, 41 percent are aged 65-84, 37 percent are aged 18-64, and 7 percent are 17 years of age or younger. There are approximately 543,100 IHSS providers. Close to 54 percent of providers are live-in.

Other IHSS Budget Highlights.

- Electronic Visit Verification (EVV) County Administration. This program provides administrative funding to counties for the implementation and maintenance of an EVV system. The Governor's budget includes $16.3 million ($4 million General Fund) for EVV County Administration in 2020-21 and $6.7 million ($1.7 million General Fund) in 2021-22. In 2019-20, counties were scheduled to transition 89 percent of the IHSS caseload from paper to electronic timesheets via the EVV system. However, implementation was delayed due to the onset of the COVID-19 pandemic and counties needing to shift their focus to prioritize the health and safety of IHSS providers and recipients. This resulted in implementation/completion dates for some counties being pushed out to 2020-21. Funding of $4.4 million in unspent funds ($1.1 million unspent General Fund) were shifted from 2019-20 to 2020-21. Note that EVV is discussed further later in the agenda.

- Restoration of the Seven Percent Cut to IHSS Service Hours. The Governor's budget includes $897.1 million ($404.9 million General Fund) in 2020-21 and $994.4 million ($449.8 million General Fund) in 2021-22 to restore the seven percent reduction in services through June 30, 2022. During the last recession, the state reduced IHSS service hours, but the Legislature has reversed this reduction every year since 2015-16. If the current law suspensions went into effect, the state would reinstate a seven percent reduction to service hours.

Note that under current law the Department of Finance (DOF) would determine whether to suspend this funding in coming years at the 2021 May Revision. The Governor proposes new suspension language that would give DOF the authority to make this calculation again at the time of the May Revision in 2022.

Legislative Analyst's Office (LAO) Comments. As with other issues proposed for suspension discussed in previous Subcommittee hearings the LAO points out that the suspension language treats policies that are fundamentally ongoing as temporary and understates the true ongoing cost of the state's policy commitments. The suspension language creates uncertainty in these programs, which can pose problems for providers and recipients of these services. Additionally, the suspension language enacted in 2019-20 was framed as a one-time determination made in May 2021. By proposing a new suspension calculation, however, the administration appears to intend to make this calculation ongoing.

Proposing to suspend funding for IHSS services may also create legal risks for the state. Proposals to reduce or eliminate IHSS services generally are vulnerable to litigation asserting that the change violates federal Medicaid rules and/or puts recipients at risk of institutional placement, which could violate the United States Americans with Disabilities Act (ADA). In the past, courts have issued temporary injunctions preventing the state from making reductions to Medicaid personal care services programs, including IHSS, due to possible violations of federal Medicaid and ADA rules. Future state proposals to eliminate or reduce IHSS services could face similar legal challenges.

The LAO recommends the Legislature reject the proposed new suspension language. Considering that the costs of the suspension item directly fund core state services, including those costs in multiyear fiscal projections is appropriate. Given the state's multiyear deficits, however, the state likely will need to make changes to its budget within the next few years.

Staff Comment and Recommendation. Hold open.

Staff notes that the proposal to suspend funding and reduce services hours for the IHSS program may open the state up to potential litigation. The Subcommittee may wish to inquire as to the Administration's view on that.

Panel. In addition to the Department of Social Services (DSS), the Department of Finance (DOF), and the Legislative Analyst's Office (LAO) the Subcommittee has requested the following panelists to provide comment on this topic.

- Sawait Seyoum, Senior Policy Advisor, Disability Rights California

Questions.

For DSS/DOF:

1. Please provide an overview of the caseload and funding levels for the IHSS program.

2. Given that the IHSS eligible population is only expected to increase in the coming years, what is the Administration's plan to address rising costs within the IHSS program? How does the department assume cost savings from avoiding institutional care by use of the IHSS program?

3. Please respond to the LAO's comments that limiting IHSS service hours could potentially violate the Americans with Disabilities Act and open the state up to litigation.

For Sawait Seyoum:

1. Please describe the impact that the reduction in IHSS service hours will have on participants in the IHSS program.

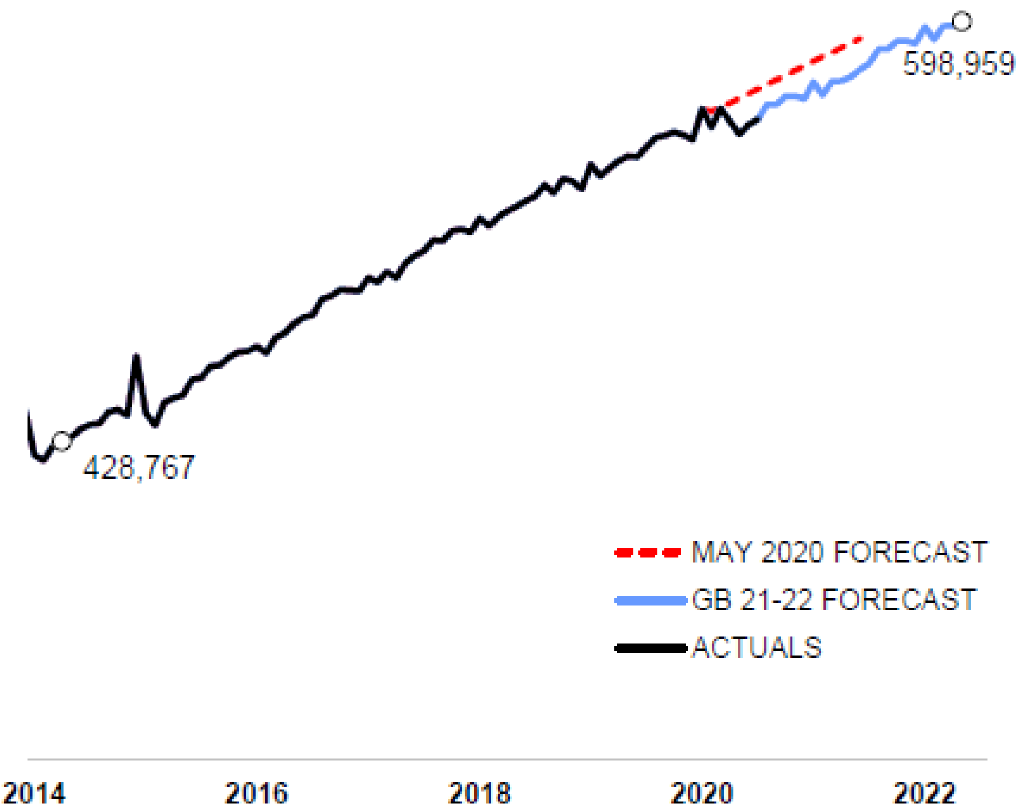
IN-HOME SUPPORTIVE SERVICES

JANUARY 2021 FORECASTS

FY	ACTUAL	*YEAR-TO-YEAR %* CHANGE
2017-18	516,377	5.6%
2018-19	536,628	4.8%
2019-20	555,324	3.9%

FORECASTS

2020-21	570,411	3.5%
2021-22	592,829	2.7%



Issue 2: BCP - Electronic Visit Verification (EVV) Continuation

Governor's Proposal. The Governor's budget includes $1.2 million General Fund for an extension of limited-term resources needed for the ongoing support of EVV implementation and support for the new direct deposit and/or pay card mandate for In-Home Supportive Services program providers. The one-year, limited-term funding would support one Staff Services Manager (SSM) I, five Associate Governmental Program Analysts (AGPAs), one Attorney III, and one half Legal Secretary.

The budget also includes an additional $4.2 million ($500,000 General Fund) in 2020-21 to make Case Management Information Payrolling System (CMIPS) II modifications necessary to add the capability to identify provider locations to meet federal EVV requirements.

Note that the Governor's budget also includes $16.3 million ($4 million General Fund) for EVV County Administration in 2020-21 and $6.7 million ($1.7 million General Fund) in 2021-22.

EVV Background. The federal 21st Century Cures Act was signed in December of 2016 and contains provisions related to EVV. These provisions require states to implement EVV systems for Medicaid-funded personal care and home health care services, such as IHSS. The bill stipulates that the electronic system must verify (1) the service performed, (2) the date and time of service, (3) the location of the service, and (4) the identities of the provider and consumer. California was given until January 2021 to comply for personal care services, and until January 2024 for home care services, or escalating penalties will be incurred.

California has been implementing EVV for IHSS through an electronic timesheet that required verification of provider start and end times through the recipient's electronic signature. This approach was in alignment with IHSS stakeholder preferences, and codified in state statute, to not use GPS or other means to electronically verify location. In December 2019, the Center for Medicare and Medicaid Services (CMS) notified the Department of Health Care Services (DHCS) that the Phase I EVV system did not adequately capture the location of service. CMS has required real-time electronic verification of the time services begin and end, as well as service location. This CMS mandate to change the state's EVV implementation will result in extending the development and implementation phase of the EVV, as well as additional guidance and training being issued to counties, providers, and recipients. In light of the current pandemic and the many changes that will need to be made to comply with this requirement the state submitted a request to CMS that any non-compliance penalties be waived until January 1, 2023, and a continued 90 percent federal match for additional planning and design activities. CMS denied this request, and the state will be subject to a federal penalty of reduced federal funds, beginning January 1, 2021.

To meet the ongoing workload created by the EVV requirements and changes to statute relating to direct deposit and/or use of a payroll card, DSS requests an additional year of funding to support these positions. The limited-term funding provides programmatic and legal technical assistance and guidance to stakeholders and all 58 counties throughout the development and implementation phases of the EVV. Development and implementation will be extended to meet the CMS' requirement for real-time location reporting for the IHSS providers. Additionally, these positions will provide the necessary technical assistance, outreach, and training to stakeholders and all 58 counties for the new direct deposit and/or pay card payment method.

Payroll Card/Direct Deposit Mandate Background. Welfare and Institutions Code 12304.4 mandates that all IHSS providers transition to direct deposit and/or a payroll card payment method by July 1, 2021. Technical assistance, outreach, and training for the counties and providers are necessary to meet the requirements of this new mandate.

Staff Comment and Recommendation. Hold open.

Note that California will incur federal penalties projected to be $15 million General Fund in 2020-21 and $16.6 million General Fund in 2021-22 for failure to meet the January 2021 EVV compliance deadline.

Questions.

1. Please give an overview of the proposal.

2. Please give an update on the plan for meeting the additional federal EVV requirements. How will the department engage with stakeholders in developing the required EVV system elements given that there was significant stakeholder opposition to location-based data collection during the initial design? What is the date that the department anticipates having the EVV federal requirements met?

3. Which of the requested positions will be focused on EVV system development versus work on the payroll card/direct deposit mandate?

4. Does the department expect that all IHSS providers will be transitioned to direct deposit or a payroll card payment method by July 1, 2021, as required in statute?

Issue 3: Supplemental Security Income/State Supplemental Payment (SSI/SSP) Budget Summary

Governor's Proposal. The Governor's budget includes $9.8 billion ($2.7 billion General Fund) in both 2020-21 and 2021-22. As compared to the 2020 enacted budget, funding for the SSI/SSP program increased by $70.1 million ($6.6 million General Fund) in 2020-21, which reflects larger grant amounts and approximately 9,200 more cases than previously projected. The Cash Assistance Program for Immigrants program costs are $162.0 million in 2020-21 and $168.2 million in 2021-22.

Grant Levels. The table below, provided by the Legislative Analyst's Office, shows monthly maximum SSI/SSP grant levels.

SSI/SSP Monthly Maximum Grant Levels[a]
Governor's Proposal

	2020-21	2021-22 Governor's Estimates[b]	Change From 2020-21
Maximum Grant—Individuals			
SSI	$794.00	$811.00	$17.00
SSP	160.72	160.72	—
Totals	**$954.72**	**$971.72**	**$17.00**
Percent of federal poverty level[c]	89%	90%	
Maximum Grant—Couples			
SSI	$1,191.00	$1,217.00	$26.00
SSP	407.14	407.14	—
Totals	**$1,598.14**	**$1,624.14**	**$26.00**
Percent of federal poverty level[c]	110%	112%	

[a] The maximum monthly grants displayed refer to those for aged and disabled individuals and couples living in their own households, effective as of January 1 of the respective budget year.
[b] Reflects Governor's budget estimate of the January 2022 federal cost-of-living adjustment for the SSI portion of the grant.
[c] Compares grant level to federal poverty guidelines from the U.S. Department of Health and Human Services for 2021.

The federal government generally applies a Cost of Living Adjustment (COLA) to SSI grant levels annually. The Governor's budget estimates that the federal COLA will be 2.2 percent in 2022, increasing the maximum monthly SSI grant by $17 for individuals and $26 for couples. The current maximum SSI/SSP grant level for individuals remains below the 2021 Federal Poverty Level (FPL), while the grant level for couples remains just above the 2021 FPL. The FPL is a measure of income issued by the federal government each year to determine eligibility for programs and benefits.

Caseload. The caseload in the program has declined at an average rate of about one percent for the past five years. The Governor's budget estimates caseload will continue to decrease slightly – 0.8 percent in 2020-21 and 1.1 percent in 2021-22. In general, the average month-to-month change in total SSI/SSP cases has remained the same thus far between the period before COVID-19 and the

COVID-19 period—less than 1 percent decline. The rate has not changed because the average entry and exit rate into the SSI/SSP program generally has remained the same thus far between the pre-COVID-19 and COVID-19 period.

Federal and State Stimulus Payments. Since the onset of the COVID-19 pandemic, the federal government has provided two one-time stimulus payments to eligible adults— (1) up to $1,200 for eligible adults and an additional $500 for each eligible child in late March 2020, and (2) up to $600 for eligible singles ($1,200 for eligible married couples) and an additional $600 for each eligible child in December 2020. In general, SSI/SSP recipients were eligible to receive the federal stimulus payments. The federal stimulus payments did not affect an individual's eligibility for SSI/SSP or other means-tested programs, including Medi-Cal and CalFresh**.** On February 17, 2021, it was announced that the Legislature and Governor reached an agreement on the Golden State Stimulus proposal, which will provide $600 one-time payments to lower-income Californians, including SSI/SSP recipients. The state is currently working with the federal government (current administrators of the SSI/SSP payment system) to determine the timing of the payment to SSI/SSP recipients.

Staff Comment and Recommendation. Hold open.

Questions.

1. Please provide an overview of the caseload and funding levels for the SSI/SSP program, as well as an explanation for the declining caseload.

2. Please provide an update on conversations with the federal government regarding the Golden State Stimulus payments to SSI/SSP recipients.

SSI/SSP -- TOTAL

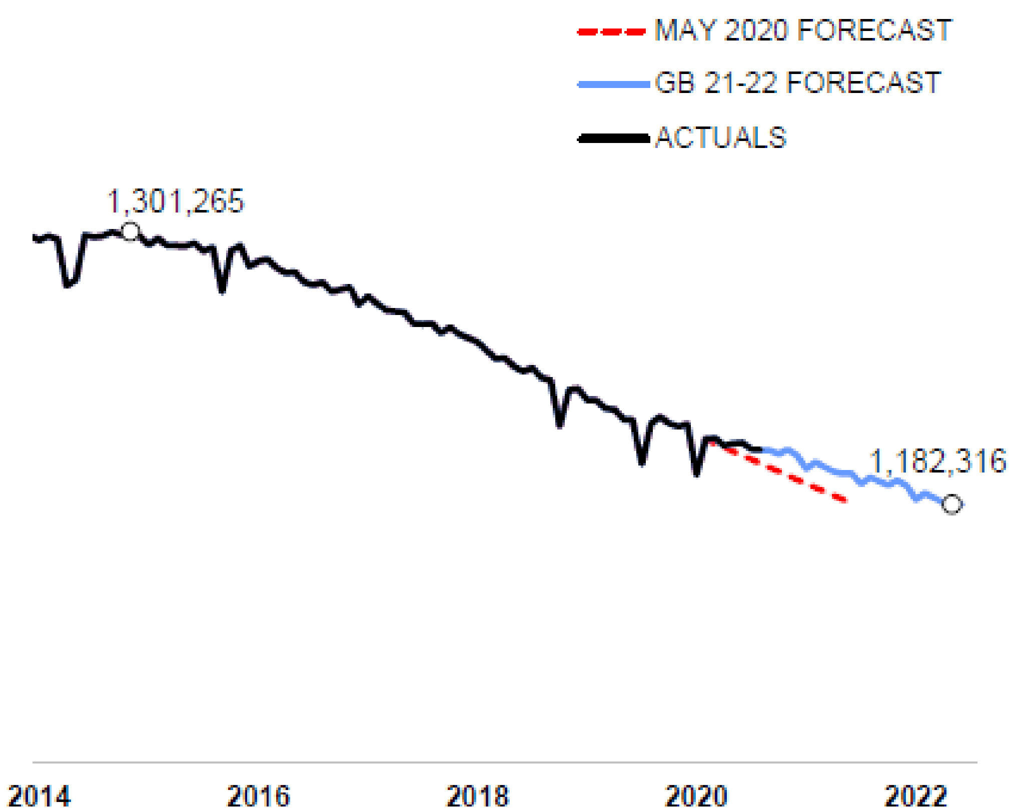
(AGED, BLIND AND DISABLED)

JANUARY 2021 FORECASTS

FY	ACTUAL	YEAR-TO-YEAR % CHANGE
2017-18	1,252,372	-1.5%
2018-19	1,228,349	-1.9%
2019-20	1,211,117	-1.4%

FORECASTS

2020-21	1,201,565	-0.8%
2021-22	1,188,055	-1.1%



PROPOSALS FOR INVESTMENT RELATED TO DSS ADULT PROGRAMS

The Subcommittee has received the following proposal for investment related to DSS Adult Programs. Note that proposal sponsors provided all information below, aside from staff comments and recommendations.

1. Fiscal Penalty for IHSS Counties that Cannot Reach a Bargaining Agreement

Budget Issue. SEIU California and United Domestic Workers (UDW)/AFSCME Local 3930 propose trailer bill language to create a new fiscal penalty, equivalent to ten percent of a county's 2020-21 IHSS MOE, to be applied annually and automatically as long as a county does not reach a contract.

Background. In 2019, many counties across the state were at the state minimum wage of $12.00 per hour. Negotiations in these counties were either ongoing or at an impasse. Half of UDW counties were at the minimum wage and had an average contract expiration length of 38 months. In response, UDW and SEIU advocated for a fiscal penalty on counties that fail to bargain in good faith in SB 80 (Budget and Fiscal Review Committee), Chapter 27, Statutes of 2019. SB 80 imposed the following penalty: a one-time withholding of 1991 Realignment funding, equal to 1 percent of the county's 2018-19 IHSS MOE, on recalcitrant counties who met certain criteria. This provision, along with related mandatory mediation and factfinding provisions, expired on January 1, 2021. While there has been progress in achieving new contracts under this penalty, certain counties are still having difficulty coming to resolution at the bargaining table and SEIU and UDW argue some will likely revert to stagnant negotiation practices without this penalty in place. Additionally, they argue that the 1 percent fiscal penalty was not strong enough to be a deterrent of bad faith negotiations in specific counties. Seven out of 21 UDW contracts have expired or will expire in 2021. 19 out of 21 UDW contracts are anticipated to be open by the end of 2022. 22 out of 37 SEIU contracts have expired or will expire in 2021. 27 out of 37 SEIU contracts are anticipated to be open by 2022. This proposal creates a new fiscal penalty, equivalent to 10 percent of a county's 2020-21 IHSS MOE, to be applied annually and automatically, so long as a county does not reach a contract. The proposal also reinstates prior mandatory mediation and fact finding provisions. These provisions do not impact counties who bargain in good faith.

Staff Comment and Recommendation. Hold open.

2. Permanent Restoration of the Seven Percent Cut to IHSS Service Hours

Budget Issue. The California Association of Public Authorities, Disability Rights California, Justice in Aging, SEIU California, and UDW/AFSCME Local 3930 propose trailer bill language to repeal Welfare and Institutions Code Sections 12301.01 through 12301.05 and permanently restore the seven percent cut to IHSS service hours.

Background. The Legislature initially approved the seven percent reduction of IHSS service hours in 2013 as the result of a settlement agreement to prevent a massive 20 percent cut that had been proposed during the Great Recession. The purpose of these cuts was never about whether IHSS recipients needed all their hours but was solely in response to the financial crisis. Therefore, as soon as the state was fiscally able to, it restored the hours in the 2015-16 budget and through subsequent budget actions each year thereafter. The 2019-20 budget continued the restoration of IHSS service hours but included IHSS in programs under the suspension policy that authorizes the Department of Finance to cut specified programs if General Fund revenues are expected to be less than estimated expenditures. The Governor's 2021-22 budget delays possible suspension by 12 months until December 31, 2022. However, the Administration's multiyear budget estimates assume the seven percent cut to IHSS hours will be operative in the last six months of 2022-23 and through all of 2023-24. It is especially important to note that there is no explicit provision to reverse the cut. The existing WIC statute that authorizes the 7% cut is a perpetual threat of service reductions. A permanent restoration is long overdue as IHSS services are essential to help low-income seniors and people with disabilities live safely at home rather than in unnecessary, undesired and more expensive out-of-home placement facilities. IHSS is necessary to keep Californians safe who are most at-risk of contracting COVID-19.

Note that the Governor's budget funds restoration through December 31, 2022. An additional $242.6 million General Fund would be needed for the remainder of the 2022-23 fiscal year. $540 million General Fund would be required in 2023-24.

Staff Comment and Recommendation. Hold open.

3. Continuity of IHSS Collective Bargaining Funding Mechanisms

Budget Issue. The California Association of Counties, UDW/AFSCME Local 3930, SEIU California, the California Association of Public Authorities, the County Welfare Directors Association of California, the Urban Counties of California, and the Rural County Representatives of California propose trailer bill language to provide continuity for the existing IHSS collective bargaining funding tools so that further progress on local bargaining for wage and benefit increases will be achieved. Costs associated with this change are $16 million General Fund in 2021-22 and $32 million in the out years.

Background. Under current law, counties and the state share the nonfederal cost for locally negotiated increases to wages and health benefits for IHSS providers. Counties are responsible for 35 percent of the nonfederal share and the state participates in 65 percent of the nonfederal share of cost for increases up to the state participation cap, which is set at $1.10 above the state minimum wage. For increases above that amount, the county is responsible for 100 percent of the nonfederal share. However, there is a tool available, referred to as the ten percent over three years tool, that allows the county to receive state participation above the state participation cap. With this tool, the state will participate above the state participation cap at the 65 percent share of cost in a cumulative total of up to a 10 percent increase in the sum of the combined total of changes in wages or health benefits, or both, over a three-year period. On January 1, 2022, the historic sharing ratio will flip, with the county becoming responsible for 65 percent of the nonfederal share and the state covering 35 percent of the nonfederal share. Additionally, the ten percent over three years tool is no longer available, as current law indicates that any use of this tool must begin prior to January 1, 2022.

The sponsors propose to eliminate the language in statute that would change the sharing ratio on January 1, 2022. Second, they propose that the ten percent over three years tool be extended. There are limitations in statute that require the use of this tool to begin before January 1, 2022, and for a county to only be able to use the tool for two three-year periods. This proposal would continue the use of this tool beyond January 1, 2022 and allow a county to utilize the tool more than two times.

Staff Comment and Recommendation. Hold open.

4. IHSS Electronic Forms

Budget Issue. The County Welfare Directors Association (CWDA) and the California Association of Public Authorities request $5 million General Fund ongoing, to be matched with $5 million federal funds, to allow counties to implement or expand technologies for electronic form submittal. This proposal also includes accompanying trailer bill language to require CDSS to create a plan to develop the ability to electronically sign and submit forms.

Background. The pandemic has had a disproportionately negative impact on our most vulnerable older adult population. According to the Centers for Disease Control (CDC) the risk for severe illness with COVID-19 increases with age, with older adults at the highest risk. The CDC reports 8 out of 10 deaths due to COVID-19 have been with adults 65 years of age and older. The CDSS has authorized counties to reduce in-person contact with applicants of IHSS, consumers and their providers, through virtual intakes, reassessments, and provider orientations. Advances in technology now enable counties to provide and collect forms electronically. However, not all counties have been able to procure this technology using only local resources, and not all forms are currently available through these on-line formats. The counties that do utilize these platforms report more timely completion of forms and fewer errors, which ultimately results in getting services started more expediently. CWDA estimates that $5 million General Fund (matched with $5 million Title IXX funds) will allow counties to implement and/or expand technologies used for electronic forms submittal.

Staff Comment and Recommendation. Hold open.

5. Reduce Senior Homelessness: Expand and Enhance the Adult Protective Services Program

Budget Issue. The County Welfare Directors Association and Justice in Aging request $25 million in the current year, and $100 million annually thereafter to expand the Adult Protective Services (APS) program and to build upon the APS Home Safe Program.

Background. The older adult population has been hit hard by the COVID-19 pandemic, both in terms of health and the housing crisis. The population the APS program serves -- both older adults and adults with disabilities -- is growing rapidly in tandem with California's aging population, and with that growth the program is seeing more cases with increasingly complex needs including individuals with cognitive impairments such as dementia and individuals struggling with homelessness. Research is also clear that racism, ageism, and sexism persist for older adults, and APS can play an important role in supporting people of color living safely and securely as they age. County APS programs are struggling to keep up with the growth in reports and are not currently resourced to serve the increasing number of victims with complex needs who require more intensive case management to remain safe in their homes and communities amid public health and housing crises. The proposed funding would allow APS to serve vulnerable adults aged 60-65 and expand to provide long-term case management, and expand the Home Safe Program to additional counties.

Staff Comment and Recommendation. Hold open.

6. State Supplemental Payment Savings

Budget Issue. Griffin/Stevens & Lee Consulting, on behalf of the Commonwealth of Pennsylvania, propose trailer bill language to authorize, but not require, DSS to contract with a government vendor to administer its State Supplemental Payment program.

Background. Supplemental Security Income (SSI) guarantees a minimal level of income to low-income aged, blind, and disabled individuals and is administered by the Federal Social Security Administration (SSA). In addition to the Federal benefit amount, states are permitted to make additional payments to these recipients to provide a higher level of income maintenance. These payments are known as State Supplemental Payments (SSP). A state may administer its own SSP or enter into an agreement with the SSA to make eligibility determination and payments on behalf of the state. States are required to pay a fee for Federal administration of SSP. California currently uses the SSA to administer its SSP and pays over $178 million annually for the federal government to administer its SSP. In 2004 the Pennsylvania Treasury Department, along with the Department of Public Welfare, assumed the responsibility for processing the SSP payments to eligible Pennsylvania residents. Building on the success of its program, in 2014 Pennsylvania approved legislation to allow the Pennsylvania Treasury Department to enter into contracts with other states to administer their SSP. If California chose to partner with Pennsylvania, the Pennsylvania Treasury Department would provide the same services as SSA for an all-inclusive rate of $6.20 per transaction and would lock in the all cost for the term of the contract. The proposed trailer bill language would authorize DSS to contract with a government vendor other than the SSA to administer its SSP program.

Staff Comment and Recommendation. Hold open.

5180 DEPARTMENT OF SOCIAL SERVICES – COMMUNITY CARE LICENSING (CCL)

The CCL Division in the Department of Social Services (DSS) oversees the licensure or certification of licensed facilities that include childcare centers; family child care homes; adult daycare facilities; foster family homes; children, adult, and senior residential facilities; and certified family homes and home care organizations. CCL is responsible for protecting the health and safety of individuals served by those facilities. Licensing program analysts investigate any complaints lodged, and conduct inspections of the facilities. The CCL division has a total authorized position count of 1,486.8 positions. In 2021-22, there are 73,579 CCL licensed facilities across the state.

Issue 4: BCP - Adult Residential Facilities: Closures and Resident Transfers

Governor's Proposal. The Governor's budget includes $1.1 million General Fund ongoing to provide temporary oversight of Adult Residential Facilities (ARF) when a facility owner forfeits their license or intends to close the facility. The requested funding will be used to implement policy changes associated with Assembly Bill 2377 (Chiu), Chapter 146, Statutes of 2020, which will provide management and operation responsibilities on behalf of ARFs until a new licensee is established.

Note that this proposal is meant to work in conjunction with the Administration's proposal for a $250 million grant program for counties to purchase ARFs and Residential Care Facilities for the Elderly (RCFEs) that was discussed during the Subcommittee's February 9, 2021 hearing.

Background. As of September 1, 2020, there were over 5,400 licensed ARFs. AB 2377 requires every ARF licensee that intends to sell its property to notify the city/county, wait up to 60 days for a response to purchase, and continue operating the facility. The bill also aligned ARF closure requirements with those of Residential Care Facilities for the Elderly (RCFEs).

DSS estimates that it will require ten contracts annually to support the closure of facilities across the state. With this contract funding, DSS will provide stability for residents and persons in care in facilities that may have otherwise closed, forcing residents in a short timeframe to try to find alternative facilities. This funding will provide for temporary managers of facilities leading up to the transition of licensee when the licensee is unable to provide a safe environment. CCL reviews temporary manger applications submitted to the department to see if minimum requirements are met, maintains a registry of temporary managers, and pulls from this registry when needed. Temporary managers assume operation of facilities for 60 days, subject to an approved extension.

Funding may also provide for staff costs, back pay, or capital improvements during the time of transition. According to the department, these efforts will support the operation of facilities (by enabling cities/counties to take over the operation) and may slow down the current trend of higher facility closures annually across the state.

Staff Comment and Recommendation. Hold open.

Questions.

1. Please provide an overview of the proposal.

2. The department has indicated that the requested resources may help slow down the current trend of higher facility closures across the state. How many of these facility types have closed in the past year? In the past five years? Where do the residents of closed ARFs end up living?

3. Is a temporary manager needed in every instance in which a facility is transferred from one licensee to another? In which situations is a temporary manager necessary? How has this model worked with RCFEs?

4. Advocates have said that the facilities that care for clients on SSI are struggling to cover operating costs. How does the state propose to ensure these facilities remain open?

Issue 5: BCP - Children's Residential Facilities and Reducing Law Enforcement

Governor's Proposal. The Governor's budget includes $399,000 ($334,000 General Fund) for the extension of limited-term resources to continue reducing the use of law enforcement to manage the behavior of foster youth within care facilities. The three Licensing Program Analyst (LPA) positions are set to expire on June 30, 2021. The budget extends these positions for an additional two years.

Background. The 2019 Budget Act included resources for three limited-term LPA positions for the increase in workload created by Assembly Bill 388 (Chesbro), Chapter 760, Statutes of 2014, along with other more recent legislation. This workload caused an influx of reports made to law enforcement due to incidents on the premises. These situations require the review, analysis, and disclosure of information reported by facilities. Licensees are mandated to report to DSS anytime a youth who resides at a facility encounters law enforcement, whether at school or while a child has left the facility. Unauthorized absence reports account for most law enforcement contacts and can range from a youth's visit to a local convenience store to youth becoming a runaway. DSS is required to inspect facilities with excessive law enforcement contacts by conducting visits and providing technical support, which includes in-person, onsite training, and phone consultation. DSS must also process and publish information regarding law enforcement contact. The increased workload has outweighed the existing resources to process and publish the required information promptly. After nearly four years of activity, CDSS continues to receive a high volume of incidents involving law enforcement.

Reports Received Annually			
2016	2017	2018	2019
Approximately 28,000 reports	32,082 reports	34,500 reports	33,504 reports

Note that these reports go through two review periods. First, regional offices review reports and then forward them to headquarters for a secondary review and data input. The current backlog is only referring to that secondary review. If a problem arises during the primary review by a regional office the issue can be addressed immediately. The backlog does not hinder addressing critical problems or issues that may arise in facilities.

Staff Comment and Recommendation. Hold open.

Questions.

1. Please provide an overview of the proposal.

2. How has the increased review and monitoring of these facilities helped increase safety for youth in these facilities?

3. What are the reasons for increased law enforcement reports in most facilities?

Issue 6: BCP - Community Care Licensing Resources

Governor's Proposal. The Governor's budget includes $2.3 million ($1.9 million General Fund) to make permanent 13 Licensing Program Analysts (LPA) and four Associate Governmental Program Analysts (AGPA) to address ongoing complaint investigations workload and reduce license application processing time.

Background. The 2015 Budget provided resources for thirteen two-year limited-term LPA positions to focus on the backlog of complaint investigations open past 90 days. Additionally, the 2017 Budget Act approved two-year funding from the Technical Assistance Fund to further support this effort. The 2019 Budget Act also approved thirteen two-year limited-term LPAs to continue to address the backlog of complaint investigations. The limited-term resources provided handle complaints that include multiple allegations. Some complaints are highly complex and multi-layered and require increased time to conduct necessary clinical reviews.

Complaint Investigations Received Annually				
2015	2016	2017	2018	2019
15,429 reports	15,163 reports	16,036 reports	14,859 reports	13,671 reports

The 2015 Budget also provided resources for four temporary positions to address the backlog of facility license applications. According to DSS, the review process of Adult and Senior Care applications requires a high level of critical analysis, tracking/trending abilities, and proactive strategies to foster an industry that promotes quality of care and adequately supervises its vulnerable residents. In 2017, the total number of applications received was 1,390. In 2018, DSS received 1,464 applications and 1,600 applications in 2019, a nearly 10 percent increase in applications over the prior year.

Applications Received Annually		
2017	2018	2019
1,390 applications	1,464 applications	1,600 applications

Aside from requested increased resources, the department has implemented several efficiencies in the licensing process and the complaint investigation process. Some of those efficiencies include:

- Accepting electronic signatures and electronic submission of documents.
- Leveraged data to identify barriers in the intake and application review process.
- Providing technical assistance to facilities with a high number of complaints.
- Providing managers with a monthly analysis tracking the number of open complaints, new complaints, and open complaints over 90 days to help shift the allocation of field resources.

Since the original approval of funding in 2015-16, DSS improved the average number of days to process a license application. In 2015-16, the unit took an average of 750 days to process an application. In 2019-20, that number has gone down to 172 days. However, the current number of days to process an application continues to be above the expected processing time of 90 days due to the continued increased number of applications. The authorized positions have reduced the number of applications each staff is responsible for, contributing to the overall customer service, responsiveness, application review efficiency, and lowered processing time. To sustain the improvements in production and further reduce production timeframes, DSS requests to make the limited-term positions permanent.

Staff Comment and Recommendation. Hold open.

Questions.

1. Please provide an overview of the proposal and some of the methods that CCL has used to reduce time to process applications.

2. Please discuss CCL's approach to facilities with high numbers of complaints.