

# Summary of the Enacted 2018-2019 Budget: Impact on California's Older Adults and People with Disabilities

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On June 27, 2018, California Governor Edmund G. Brown, Jr. signed California's 2018-2019 budget. The budget reflects modest program investments for older adults and people with disabilities, including new funding to develop long-term services and supports data. However, the state still has no overarching master strategy to meet the needs of an aging California.



The enacted budget reflects General Fund (GF) resources of \$142 billion and anticipated expenditures of \$139 billion.

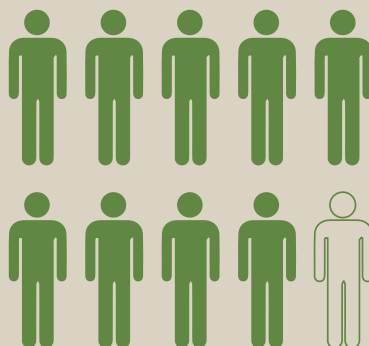
## Overview

On June 27, 2018, Governor Edmund G. Brown, Jr. signed the 2018-2019 budget, outlining the state's spending plan for the fiscal year beginning on July 1, 2018 and ending June 30, 2019. The budget includes \$142 billion GF in total resources and \$139 billion GF in expenditures. The state's total reserves stand at \$15.9 billion, which includes \$13.8 billion GF in the Rainy Day Fund (Budget Stabilization Account), \$2 billion in the Special Fund for Economic Uncertainties, and \$200 million GF in a new reserve to protect safety net programs (CalWORKs and Medi-Cal) in future downturns.<sup>1</sup>

## No Master Plan on Aging Despite State's Economic Recovery

While the governor satisfied his commitment to build reserves and fully fill the Rainy Day Fund, the budget has relied on one-time funding opportunities to try to shore up California's service delivery system for older adults, people with disabilities, and family caregivers. The budget allocations for these services fail to keep pace with the state's economic recovery as well as the needs of the growing older adult population. California's 6 million residents age 65 and older is projected to grow to over 9 million by 2030, with the largest growth occurring among people age 85 years and older.<sup>2</sup> As the population ages, the demand for health care, long-term services and supports (LTSS), and family caregiver support will continue, and California currently does not have a master plan for aging. Recent [polling data](#) reflects that planning for this growing demand is not only good policy, but aligns with the interests of California's voters. More than two-thirds of likely voters feel the state is not prepared to address the health care and social support needs of its fast-growing older adult population. Nearly 9 out of 10 voters say it is important for the state to have a master plan to invest in services that allow older adults to age in the place that they prefer.<sup>3,4</sup>

**9** <sup>OUT</sup>  
**OF** **10**  
**VOTERS**



**say it is important for California to have a master plan that allows older adults to age well in the place they call home.**

## Collecting Data to Better Understand LTSS Need

Demographic and program data are critical components to helping policymakers address and plan for population needs—from youth to older adults. While the enacted 2018-2019 budget did not include a master plan for an aging California, the state is one step closer to identifying older adult service needs with the budget's \$3 million GF investment to gather new data through the California Health Interview Survey.<sup>5</sup> This new investment will identify current and projected LTSS demands, providing the next Administration with timely information to create and implement a master plan that meets the needs of California's older adults, people with disabilities, and family caregivers.

## Enacted Budget Items Impacting Older Adults and People with Disabilities

The following items impacting older adults and people with disabilities are reflected in the enacted 2018-2019 budget.

### Economic Security

- **SSI/SSP:** Supplemental Security Income (SSI) is a federal program that provides a monthly cash benefit to low-income aged, blind, and disabled persons, and is augmented in California with a State Supplementary Payment (SSP) grant.
  - **Ending SSI “cash-out”:** Since 1974, Californians eligible for SSI/SSP have been prohibited from participating in CalFresh (California's Supplemental Nutrition Assistance Program). In lieu of the CalFresh benefit, SSI/SSP recipients have received a \$10 cash-out benefit. Additionally, SSI/SSP income was excluded from CalFresh eligibility determinations for households with an SSI/SSP recipient. The enacted budget reverses this policy and includes “hold harmless” provisions to ensure maintenance of benefits for specified SSI households with family members who were otherwise eligible for, and already receiving, CalFresh benefits. SSI recipients can apply for CalFresh benefits starting June 2019. It is estimated that approximately 370,000 households will become eligible for CalFresh benefits, with an additional 45,000 households receiving a CalFresh benefit increase. The enacted budget includes one-time funding of \$230 million GF to eliminate the SSI “cash-out” policy no later than August 1, 2019.<sup>1,6</sup>

- **SSP Cost of Living Adjustment (COLA):** The SSP COLA was repealed in 2009 during the Great Recession, requiring new legislation to provide a COLA on an annual basis. Only one SSP COLA has been provided since that time. The enacted budget restores the annual SSP COLA in statute as of July 2022, requiring the adjustment amount to be specified in the annual Budget Act.<sup>6</sup>
- **California Earned Income Tax Credit (EITC) Expansion:** California's EITC is the state personal income tax provision that gives a credit to individuals and families who earn less than \$22,300, under specified conditions. The enacted budget expands the EITC to working individuals ages 18-25 and those 65 and older. The income ceiling is increased to \$24,960 so that more employees working up to full time (at the 2019 minimum wage rate of \$12 per hour) would qualify for the tax credit. These expansions are expected to reduce GF revenue by \$60 million in 2018-2019.<sup>1,7</sup> The enacted budget includes \$10 million GF for EITC outreach, the Voluntary Tax Assistance Program, and evaluation of the EITC outreach efforts.<sup>5</sup>

## Medi-Cal Benefits

- **Adult Dental Benefits:** In 2009, California eliminated Medi-Cal optional adult dental benefits. Benefits were partially restored in 2014 to include basic preventive, diagnostic, restorative, anterior tooth endodontic treatment, and complete dentures. As of January 1, 2018, Medi-Cal optional adult dental benefits have been fully restored to full-scope coverage, including crowns, root canals, periodontal services, and partial dentures. The enacted budget includes \$212 million (\$79.5 million GF) to continue the restoration of full dental services eliminated during the Great Recession to Medi-Cal eligible adults.<sup>1,8-10</sup>
- **In-Home Supportive Services (IHSS):** The IHSS program provides in-home personal care assistance to low-income adults who are: age 65 years and older; blind, or disabled; and to children who are blind or disabled. The state anticipates approximately 544,000 individuals being served in 2018-2019.<sup>11</sup> Accounting for both new enrollments and increased costs per person, the enacted budget estimates total IHSS expenditures to be \$11.6 billion in 2018-2019 (\$3.8 billion GF and \$7.8 billion federal/county reimbursement). This includes \$29.3 million GF for implementation of eight hours of paid sick leave for IHSS providers beginning on July 1, 2018.<sup>5,11,12</sup>

- **Assisted Living Waiver:** The Assisted Living Waiver program provides an alternative to institutionalization for individuals whose care needs qualify them for Medicaid coverage of nursing facility care and who meet the criteria for admission to a licensed residential care facility for the elderly. The program operates in 15 counties, covering a large percentage of the population. The enacted budget includes estimated savings of \$12.4 million (\$6.2 million GF) from avoiding long-stay nursing facility care by increasing the capacity of the waiver by 2,000 slots to 5,744 total slots. Sixty percent of new enrollments will be reserved for individuals transitioning from institutional settings after residing in them for at least 90 consecutive days. This change requires a waiver amendment with approval from the Centers for Medicare & Medicaid Services.<sup>8</sup>

## Oversight and Research

- **Long-Term Care Ombudsman:** The Long-Term Care Ombudsman Association sought ongoing funding of \$7.3 million to meet minimum recommended facility visits, complaint investigations, volunteer recruitment, and to re-base the administrative funding for local Ombudsman programs.<sup>13</sup> The enacted budget instead includes \$2.3 million GF to increase the base allocation.<sup>5,6</sup>
- **Alzheimer's Disease Research:** The enacted budget includes ongoing \$3.1 million GF to support current research and expand research focus areas to better understand the causes and care for people with Alzheimer's disease, as well as support for families.<sup>14,15</sup>

The budget includes \$3 million to collect and analyze data to better understand LTSS need and use.

## One-Time Funding Investments

- **Adult Protective Services (APS) – Home Safe Pilot Program:** The APS program assists adults who are victims of abuse, neglect, or exploitation through county-run APS agencies. The enacted budget includes a one-time investment of \$15 million GF to fund a three-year APS pilot program for older adults experiencing or at-risk of homelessness. The program will provide temporary housing rental or utility assistance, housing repairs, landlord mediation, and case management. Participating counties will be required to provide a local match for participation.<sup>5,6</sup>
- **California Senior Legislature (CSL):** Established in state statute in 1980, the CSL is a volunteer body dedicated to developing legislative concepts on older adult issues and advocating for laws implementing these ideas.<sup>16</sup> CSL funding has primarily been generated through individuals'

contributions on the California State Voluntary Tax Contribution Form. In recent years, the funding levels have not been sufficient to meet organizational needs.<sup>17</sup> The enacted budget includes \$300,000 GF of re-appropriated, unencumbered one-time funds to continue the California Senior Legislature.<sup>5,18</sup>

- **Homeless Mental Health Outreach and Treatment:** The enacted budget includes \$50 million GF in one-time funding to counties and local entities for multidisciplinary teams to provide intensive outreach, treatment, and related services for homeless adults with mental illness.<sup>5</sup>
- **Skilled Nursing Facilities/Certified Nurse Assistant Programs:** The state's 2017 Budget Act increased the number of direct care services hours to 3.5 per patient day, with a minimum of 2.4 hours provided by certified nursing assistants.<sup>19</sup> The enacted budget includes \$2 million GF one-time funding to increase both the number of certified nurse assistant programs and the number of students completing certified nurse assistant programs.<sup>5</sup>

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