

Summary of the Enacted 2019-20 Budget: Impact on California's Older Adults and People with Disabilities

Fact Sheet • July 2019

On June 27, 2019, California Governor Gavin Newsom signed California's 2019-20 budget. The budget reflects new program investments for older adults and people with disabilities, including staff resources for the state's Master Plan for Aging.



The enacted budget reflects General Fund (GF) resources of \$150.6 billion and anticipated expenditures of \$147.8 billion.

Overview

On June 27, 2019, Governor Gavin Newsom signed the 2019-20 budget, outlining the state's spending plan for the fiscal year beginning on July 1, 2019, and ending June 30, 2020. The budget includes \$150.6 billion GF in total resources and \$147.8 billion GF in expenditures.¹ The state's total reserves stands at \$19.2 billion, which includes \$16.5 billion in the Rainy Day Fund (Budget Stabilization Account*), \$1.4 billion in the Special Fund for Economic Uncertainties, and a Safety Net Reserve† balance of \$900 million GF. The enacted budget also includes new investments in programs and services impacting older adults and people with disabilities, as well as resources to staff the [Master Plan for Aging \(Master Plan\)](#).¹

Enacted Budget Items Impacting Older Adults and People with Disabilities

The following investments impacting older adults and people with disabilities are reflected in the enacted 2019-20 budget.

Master Plan for Aging

- **Master Plan for Aging Staffing Resources:** On June 10, 2019, California Governor Newsom issued [Executive Order N-14-19](#), calling for a Master Plan to serve as a blueprint to prepare the state for the coming demographic changes. The Executive Order directs the Health and Human Services Agency Secretary to convene a Cabinet-level Workgroup for Aging and a Stakeholder Advisory Committee, including a Long-Term Care Subcommittee and a Research Subcommittee. The enacted budget includes funding for initial staff support of the effort.^{3,4}

Medi-Cal Eligibility and Benefits

- **Medi-Cal Aged, Blind, and Disabled Program Eligibility:** The Medi-Cal Aged, Blind, and Disabled Program provides full-scope Medi-Cal coverage to individuals who are either older than age 65 or disabled, with an income under 100 percent of the federal poverty level (FPL).

* The Budget Stabilization Account is often referred to as the "Rainy Day Fund," in accordance with Proposition 2, the voter-approved Constitutional amendment.²

† The Safety Net Reserve was created in the 2018-19 budget to specifically protect safety net services during the next recession.

The enacted budget increases Medi-Cal eligibility to 138 percent of the FPL for the Medi-Cal Aged, Blind, and Disabled Program beginning no sooner than January 1, 2020, bringing it into alignment with Medi-Cal eligibility under the Affordable Care Act expansion. The enacted budget includes \$31.5 million GF to address the expanded Medi-Cal eligibility limit for the Medi-Cal Aged, Blind, and Disabled program.¹

- **Medi-Cal Optional Benefits:** Federal law permits states to offer [“optional” Medicaid \(Medi-Cal\) benefits and services](#). In 2009, California eliminated several Medicaid optional benefits from the Medi-Cal program in response to the state’s fiscal crisis. Since that time, certain optional benefits have been restored either in full or in part, including dental, enteral nutrition, and acupuncture. The enacted budget includes \$17.4 million GF in 2019-20 and \$40.5 million GF ongoing to restore the following optional Medi-Cal benefits: audiology, incontinence, creams/washes, optical, podiatry, and speech therapy through December 31, 2021.^{1f}
- **In-Home Supportive Services (IHSS):** The IHSS program provides in-home personal assistance to low-income adults who are age 65 and older, blind, or disabled, and to children who are blind or disabled. Services include assistance with bathing, feeding, dressing, and/or domestic services such as shopping, cooking, and housework so that individuals can remain safely in their own homes.

IHSS is estimated to serve approximately 564,000 individuals in 2019-20.⁵ Due to increases in caseload growth, average hours per case and average cost per case, the enacted budget includes \$13.3 billion (\$4.5 billion GF) in 2019-20 for IHSS.³ The following proposals included in the January budget have been adopted as follows:

- **Restoration of service-hour reductions:** The enacted budget includes \$357.6 million GF for restoration of the 7 percent, across-the-board reduction in service hours applied in 2012, through December 31, 2021.^{1f}
- **County IHSS Maintenance-of-effort:** The enacted budget revises the IHSS county-state funding formula methodology negotiated in 2017, reducing county IHSS expenditures and increasing state costs by \$296.8 million GF in 2019-20.¹ In future years, when a county negotiates hourly wages above the targeted minimum hourly wage of \$15, the nonfederal share of cost will be split—with the county paying 65 percent and the state paying 35 percent.⁶

^f Subject to suspension on December 31, 2021, based on revenue analysis by the Department of Finance.

- **Electronic visit verification:** Under federal law, states are required to implement an electronic visit verification system for personal care services by January 1, 2020, and for home health services by January 1, 2023. The enacted budget includes \$37.5 million (\$6.4 million GF) for implementation.¹
- **Whole Person Care:** Established through the 1115 Waiver, the Whole Person Care Pilot program is a federal/state partnership that coordinates health, behavioral health, and social services. The enacted budget includes \$100 million GF for existing Whole Person Care Pilot Programs to increase housing for homeless individuals with a mental illness. It also includes \$20 million GF over five years for counties that currently do not operate Whole Person Care Pilots.¹

New Investments

- **Aging and Disability Resource Connections/No Wrong Door:** The Aging and Disability Resource Connections program (ADRC) assists individuals with disabilities and/or chronic conditions in accessing health care, medical care, social supports, and other long-term services and supports (LTSS). The “No Wrong Door” model seeks to leverage ADRC programs to ensure that older adults, people with disabilities and caregivers can obtain accurate information and timely referrals to appropriate community services and supports, regardless of where they enter the system. The enacted budget includes \$5 million GF annually to support the ADRC “No Wrong Door” model, through December 31, 2021.¹⁵
- **Fall Prevention:** The enacted budget includes \$5 million one-time GF for the Dignity at Home Fall Prevention Program. This program will provide grants to Area Agencies on Aging for injury prevention information, education, and services for the purpose of enabling older adults and persons with disabilities to live independently at home for as long as possible.¹
- **Long-Term Services and Supports Feasibility and Actuarial Study:** In a first step to address the growing need for LTSS in California, the enacted budget includes funding for a feasibility and actuarial study of LTSS financing and benefit options. This study seeks to provide critical guidance on the following: the scope of services for a new, independent, and sustainable LTSS benefit for all Californians; eligibility criteria; projected cost estimates and financing options; and projected savings to state-funded programs and services associated with each option. The enacted budget includes \$1 million one-time GF for this study.^{7,8}

Income Benefits

[§] Subject to suspension on December 31, 2021, based on revenue analysis by the Department of Finance.

- **SSI/SSP:** The Supplemental Security Income program (SSI) is a federal program that provides a monthly cash benefit to low-income aged, blind, and disabled individuals. In California, the SSI benefit is augmented with a State Supplementary Payment (SSP) grant. In 2019, maximum SSI/SSP grant levels are \$931 per month for individuals and \$1,564 per month for couples.⁹

SSI/SSP payments are expected to increase to \$950 per month for individuals and \$1,593 per month for couples in 2020.⁹ Estimating that 1.22 million people will receive monthly benefits in 2019-20, the enacted budget includes \$2.73 billion GF for SSI/SSP.⁵ Other adjustments included in the enacted budget are as follows:

- **Elimination of the SSI cash-out policy:** The 2018-19 budget expanded CalFresh (California's Supplemental Nutrition Assistance Program) eligibility to SSI recipients who had previously been prohibited from participating in the program. Prior to the policy change, SSI/SSP recipients had received a monthly \$10 supplement in lieu of CalFresh benefits. Additionally, when households with an SSI/SSP recipient applied for CalFresh, the SSI/SSP income was not included as part of the household income for the eligibility determinations. This is no longer the case. To address the loss of food benefits resulting from this policy change, the 2018-19 budget included one-time funds for affected families. The enacted budget includes \$120 million GF and makes the offset permanent.^{1,6}
- **SSI/SSP advocacy:** The Housing and Disability Advocacy Program assists disabled, homeless individuals with applying for disability benefit programs. The enacted budget includes \$25 million GF on an ongoing basis for continued program implementation.^{1,6}

Funding Increases and Funding Modifications

- **Senior Nutrition Program:** Senior nutrition services are provided through the network of Area Agencies on Aging and their service providers. These programs serve a broad population, with preference given to those in greatest economic or social need. Nutrition services are offered in two settings: congregate and home delivered meals. The enacted budget includes an increase of \$17.5 million GF annually for the Senior Nutrition program, through December 31, 2021.^{1**}
- **Community-Based Adult Services (CBAS):** The CBAS program provides health, therapeutic, and social services to older adults and people with disabilities. The enacted budget provides \$13.7 million in Proposition 56 funding ongoing for supplemental payments to CBAS providers, through December 31, 2021.^{1,10**}

** Subject to suspension on December 31, 2021, based on revenue analysis by the Department of Finance.

- **Multipurpose Senior Services Program (MSSP):** MSSP provides care management, adult day care, housing assistance, chore and personal care services (if the individual has used the allocated IHSS service hours), protective supervision, respite, transportation, meal services, social services and communication services for Medi-Cal eligible individuals older than age 65 who meet clinical qualifications for nursing facility admissions. The enacted budget includes \$14.8 million GF over three years for a supplemental rate increase to local MSSP sites.¹
- **Long-Term Care Ombudsman:** The Long-Term Care Ombudsman Program advocates on behalf of individuals residing in nursing homes and assisted living facilities, and investigates complaints made by, or on behalf of, residents. The enacted budget includes one-time funds of \$4.2 million GF in 2019-20 in addition to the Governor's May Revise proposal of \$1 million from the Federal Citation Penalty Account, with \$5.2 million GF annually thereafter.¹
- **Traumatic Brain Injury (TBI) Program:** The Traumatic Brain Injury Program provides community reintegration, service coordination, family and community education, vocational supportive services and service coordination services to persons suffering from TBI at seven sites in California. The enacted budget includes \$1.2 million ongoing GF for the program, while switching the funding source from the State Penalty Fund to GF.¹
- **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.¹⁰ CSL funding has primarily been generated through individuals' contributions on the California State Voluntary Tax Contribution Form, however the funding levels have not been sufficient to meet organizational needs in recent years.¹¹ The enacted budget includes \$300,000 ongoing GF for the California Senior Legislature.³

Targeted Investments

- **Adult Protective Services (APS):** APS assists individuals age 65 and older, as well as dependent adults (disabled individuals ages 18-64) who are unable to meet their own needs, or are victims of abuse, neglect, or exploitation. APS staff evaluate abuse cases and arrange for services such as advocacy, counseling, money management, out-of-home placement, or conservatorship. The enacted budget includes \$5.8 million GF over three years for the APS training program.¹
- **Caregiver Resource Centers (CRCs):** CRCs provide information and referral, short-term counseling, respite care, education, training and support to families and caregivers of people with Alzheimer's disease, stroke, Parkinson's disease, and other disorders at 11 centers throughout the state. The enacted budget includes \$10 million GF per year for three years to expand information technology services.³

Alzheimer's Disease

- **Alzheimer's Prevention and Preparedness Task Force:** The enacted budget includes \$3 million GF annually to support Alzheimer's disease research, and create a governor's Alzheimer's Prevention and Preparedness Task Force as well as related staffing resources.¹
- **Alzheimer's Healthy Brain Initiative:** The Alzheimer's Healthy Brain Initiative seeks to build the statewide public health infrastructure to support early detection and timely diagnosis of Alzheimer's disease. The enacted budget includes \$5 million GF in one-time funding to pilot the initiative in six counties.¹

References

1. California Department of Finance. California state budget, 2019-2020. 2019; <http://www.ebudget.ca.gov/2019-20/pdf/Enacted/BudgetSummary/FullBudgetSummary.pdf>. Accessed July 11, 2019.
2. California Attorney General. Proposition 2, state budget stabilization account, legislative constitutional amendment. 2014; <http://vig.cdn.sos.ca.gov/2014/general/pdf/proposition-2-title-summary-analysis.pdf>. Accessed June 26, 2019.
3. California Department of Finance. 2019-20 state budget - HHS. 2019; <http://www.ebudget.ca.gov/2019-20/pdf/Enacted/GovernorsBudget/4000.pdf>. Accessed July 11, 2019.
4. California Health and Human Services Agency. Budget change proposal: reorganization of the office of the secretary. 2019; https://esd.dof.ca.gov/Documents/bcp/1920/FY1920_ORG0530_BCP3245.pdf. Accessed July 11, 2019.
5. California Department of Social Services. Local assistance estimates for the 2019-20 governor's budget. 2019; <http://www.cdss.ca.gov/inforesources/Local-Assistance-Estimates/2019-20-Governors-Budget>. Accessed July 8, 2019.
6. Senate bill 80 (chapter 27, statutes of 2019).
7. Assembly bill 74 (chapter 23, statutes of 2019), Budget act of 2019.
8. California Senate Budget and Fiscal Review Subcommittee No 3. Senate budget and fiscal review, subcommittee no. 3 agenda for May 16, 2019. 2019; https://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/05162019%20--%20MAY%20REVISION%20AND%20OPEN%20ISSUES%20%28Part%203%29_final.pdf. Accessed July 11, 2019.
9. California Department of Finance. Governor's budget summary 2019-20. 2019; <http://www.ebudget.ca.gov/2019-20/pdf/BudgetSummary/FullBudgetSummary.pdf>. Accessed July 12, 2019.
10. California Department of Health Care Services. California. Proposition 56. 2019; <https://www.dhcs.ca.gov/provgovpart/Pages/Proposition-56.aspx>. Accessed July 12, 2019.
11. California Revenue and Taxation Code, §18722-18724.