

Justice in Aging's Response to the May Revision 2021-22 Budget

(May 25, 2021)

Introduction

On May 14, 2021, Governor Newsom released his [May Revision 2021-22 budget proposal](#). The proposal builds upon and significantly expands the investments in aging and disability programs proposed in the Governor's 2021-22 January Budget. This expansion was driven by both the Governor's commitment to the Master Plan for Aging and the Alzheimer's Taskforce Report, but also by an historic increase in tax revenue, approximately \$38 billion in discretionary surplus, and significant federal stimulus money. It should be noted that much of the investment continues to be one-time funding, however, many of these investments are being spread across a multi-year, often two or three year timeframe.

Justice in Aging sees these investments as a significant down payment toward the 10-year goals set in the Master Plan for Aging. There are investments in all five goal areas of the Master Plan, as described below. Additionally, the Governor has continued his commitment to establish a cabinet-level position, Senior Advisor on Aging, Disability, and Alzheimer's, to lead cross-cabinet initiatives and partnerships.

Below is an overview of the budget provisions impacting low-income older adults and people with disabilities organized by the goal areas of the Master Plan for Aging.

Goal 1: Housing and Homelessness Prevention for Older Californians

There are several housing and homelessness proposals contained in the Governor's May Revision. Not all are specifically targeted to older adults and people with disabilities, but many will benefit both groups.

- **Project Homekey, \$3.5 billion** over 2 years to build on the earlier success of Project Homekey that provided one-time funds to acquire and rehabilitate underused properties and convert them to interim or permanent housing for formerly homeless Californians. A portion of the funds can be used to fund ongoing operating costs and services. Half of those funds will be targeted to creating housing with mental health and behavioral services on-site. This additional \$3.5 billion for Project Homekey is expected to finance about 17,000 households, including older adult households.
- **Encampment Resolution Grant, \$50 million** one-time for the Homeless Coordinating and Finance Council to partner with local governments to conduct outreach and transition individuals, including older adults, to permanent housing.
- **Preserving affordable housing, \$300 million** to purchase expiring use covenants so that renters, including older adults in those buildings, continue to have more affordable rents.

- **California COVID-19 Rent Relief Program, \$2.6 billion**, which doubles the \$2.6 billion in federal COVID-related rent relief to a total of \$5.2 billion in rental relief aid. The Governor is proposing to increase the payment from 80% to 100% of back rent relief, current rent, and utilities.
- **Accessory Dwelling Unit (ADU) Financing:** \$81 million in one-time federal funds to expand available financing for ADU's.
- **HomeSafe:** \$100 million annually through 2022-23, for the Home Safe program for access to health, safety, and housing supports for individuals, including older adults involved in or at risk of involvement in Adult Protective Services. Reduces the local match to 25% to ensure that counties and tribes can afford to launch or expand their program.
- **Community Care Expansion, \$1 billion** in one-time funds over two years, for the acquisition and rehabilitation of adult and senior care facilities, specifically Adult Residential Facilities (ARF) and Residential Care Facilities for the Elderly (RCFE). This expansion is specifically focused on those older adults and people with disabilities who are homeless or at risk of becoming homeless and have higher care needs.
- **Supportive Services for Formerly Homeless Veterans, \$25 million** to provide higher level on-site supportive services in HUD-VASH programs, which serve older veterans and veterans with disabilities.
- **Eviction Prevention and Housing Stabilization, \$60 million** over three years (\$20 million annually) in federal ARPA Coronavirus State Fiscal Recovery Funds for the Judicial Council to continue providing legal assistance grants to over 100 legal services and self-help organizations. This will help ensure older adults and people with disabilities can access legal services to prevent eviction.

Goal 2: Health Reimagined: Health and Long-Term Services and Supports (LTSS)

- **Medi-Cal for Undocumented Adults 60 and over, \$69 million** in FY2021-22 and **\$1 billion annually ongoing** to expand coverage to at least 27,000 older Californians. Coverage will include access to In-Home Supportive Services (IHSS), if the person has need for the services. The May Revision proposes the expansion begin May 1, 2022.
- **Permanent Restoration of 7% IHSS Cut, \$248 million** in FY 2021-22 and \$496 million ongoing. This is a major change from the January Budget proposal, which only proposed a temporary funding extension. This permanent restoration will help ensure older Californians can age safely at home without fear of an arbitrary reduction in services.
- **IHSS Back-Up Provider System, \$11.1 million** to create a permanent back-up provider system in California. During the COVID-19 pandemic, every county was required to set-up an emergency IHSS provider back-up system. This funding, coupled with the \$5.3 million proposed in the January 2021-22 Budget, will make it permanent throughout the state.
- **Elimination of the Suspension Cuts to Medi-Cal Optional Benefits, \$47 million**, including audiology, speech therapy, incontinence supplies, and podiatry. These suspension cuts were originally proposed in the January 2021-22 budget.
- **Alzheimer's Disease Investments, \$12.5 million** including public awareness (\$5 million), geriatric workforce development (\$5 million), and standards of care (\$2.5 million). These funds are in addition to the \$17 million proposed in the January 2021-22 Budget.

- **Office of Long-Term Care Patient Representative, \$4 million** to provide public patient representatives to long-term care residents who no longer have legal capacity to make decisions. The office will be established in the Department of Aging.
- **Office of Medicare Innovation and Integration, \$602,000** to create the office within the Department of Health Care Services and hire additional staff. This office will help ensure the state serves both dual eligible and Medicare-only beneficiaries effectively and equitably.
- **Medically-Tailored Meals, \$9.3 million** one-time funding to continue the provision of medically tailored meals in the period between the conclusion of the existing pilot program in 2021 and when medically tailored meals become available as an option for In-Lieu of Service (ILOS) under CalAIM.

Goal 3: Equity and Inclusion, Not Isolation

The budget contains several proposals that directly advance the elder justice principals of reducing elder isolation and helping older adults age in place.

- **Older Adult Recovery and Resiliency, \$106 million** over 3 years will be available to help older adults recover and build resilience after the COVID-19 pandemic. Funding will increase service levels of existing programs, including:
 - Senior Legal Aid (\$20 million)
 - Family Caregiving Program (\$2.8 million)
 - Aging and Disability Resource Connection (\$9.4 million)
 - Elder Abuse Prevention (\$1 million)
 - Fall Prevention and Home Modification (\$10 million)
 - Senior Community Employment Service Program (\$17 million)
 - Warmline (\$2.1 million)
 - Digital Connections (\$17 million)
 - Home-delivered and congregate meals (\$20.7 million)
- **Elimination of Suspension Cuts, \$27.5 million** for Senior Nutrition programs and **\$13.8 million** for Aging and Disability Resource Connection programs that were proposed in the January 2021-22 Budget. These suspension cuts could have led to service cutbacks in subsequent budget years.
- **Master Plan for Aging Implementation, \$3.3 million** in ongoing funds to the Department of Aging to provide project management and information technology leadership to implement the Master Plan for Aging. These funds will provide the support needed to fully implement goals like the statewide Elder Justice Council.
- **HomeSafe, \$100 million** in funding for the HomeSafe program through 2023. HomeSafe is an innovative program that seeks to prevent older adult homelessness and currently operates in 24 counties. The program implements strategies including eviction prevention, hoarding clean-up, and accessibility services. These strategies have been effective in keeping older adults housed and connecting homeless older adults to

housing. Previously, the state allocated \$15 million total with counties matching dollar-for-dollar. With this funding expansion, more counties can participate in the program.

- **Language Access in Health and Human Services (HHS) Programs, \$20 million** in one-time funding to HHS to improve the delivery of language access services across all of its programs. This allocation builds upon stakeholder consultation sessions California Health & Human Services Agency conducted last year to learn about challenges facing LEP communities.
- **Disparities in COVID Response Review, \$3 million** for the California Department of Public Health (CDPH) to review the state's response to the COVID-19 pandemic and examine the root causes of disparities and inequities. It will be important for CDPH to include older adults and people with disabilities, especially in communities of color, as part of its disparities and inequities examination.

Goal 4: Caregiving that Works

The budget contains one major proposal to enhance caregiving in California beyond the proposal contained in the larger Older Adult Recovery and Resiliency package discussed above in Goal 3.

- **IHSS Provider Career Pathways, \$200 million** in one-time funding to support IHSS providers. The proposal doesn't include a plan to allocate these funds to a particular program, but instead to further the goals of incentivizing, supporting, and funding career pathways for IHSS providers.

Goal 5: Affording Aging: Economic and Food Security

The budget contains several proposals to increase economic and food security for low-income older adults.

- **SSI State Supplement Payment increase, \$131.5 million** in 2021-22 and ongoing to bring the SSI state supplement for individuals to the 2011 payment level. This represents an increase of 6.4% to \$171 per month. However, even with this increase, the state supplement for individuals would still be well below the 2009 payment level of \$233 per month. There is no proposed increase for couples receiving SSI/SSP.
- **Housing & Disability Advocacy Program (HDAP), \$175 million** annually through 2023-24 to provide housing assistance and benefits advocacy to disabled individuals experiencing homelessness who are not currently receiving SSI/SSP benefits.
- **CalFresh Outreach Expansion, \$2 million** ongoing for the Department of Aging to continue CalFresh Expansion outreach efforts to SSI older adults and people with disabilities who are now eligible for CalFresh.

Conclusion

Overall, there is much to be excited and encouraged by in the Governor's 2021-22 May Revision. It is clear that the Governor is using the Master Plan for Aging and the Alzheimer's Taskforce Report to help guide the development of his funding priorities. This is a strong set of investments for year one of Master Plan for Aging implementation and we look forward to continuing to advocate to make the Master Plan for Aging a reality in California by 2030.