

Impact of the New State Budget on Alameda County Seniors

Friday evening, October 8 the Governor signed a budget for California's 2010-11 fiscal year, just hours after the package was approved by the Assembly and Senate. Even though a balanced budget arrived on the Governor's desk, he made \$963 million in additional line item veto cuts. His vetoes erased \$6.4 million in funding that the legislature had restored to Community Based Services for seniors, and made significant cuts to CalWORKS, Child Welfare Services, Office of AIDS, K-12 Education and many others.¹

The final Budget closes a \$17.9 billion shortfall with \$8.5 billion in cuts, \$5.3 billion in projected new federal funds, and \$5.7 billion in revenue and funding solutions, leaving a \$1.3 billion "rainy day" reserve. The Budget does not contain the permanent revenue solutions that had been sought by legislators and advocates, and if this Budget's projections don't bear out we may find ourselves back for mid-year negotiations.

While budget cuts and program eliminations from prior years continue to put vulnerable elders and people with disabilities at great risk, few of the Governor's proposed cuts to senior services made it into the final Budget. This is the direct result of efforts by thousands of stakeholders who made their concerns and priorities heard throughout the budget process. Many thanks to everyone.

The following summarizes the budget decisions impacting seniors:

In-Home Supportive Services

While the new Budget does not cut IHSS by 43% as the Governor proposed, it adopts a number of significant changes:

- Makes a 3.6% reduction in hours for the majority of IHSS recipients, scheduled to start 90 days from enactment of the new Budget.
- Adopts a provider fee that will draw down additional federal dollars, resulting in a \$190 million General Fund savings for FY 2010-11. The fee would show up on IHSS provider's pay stubs, along with a reimbursement for the same amount.
- Continues to provide \$10 million of state funding for Counties' anti-fraud activities, funds an anti-fraud report and cost-benefit analysis, and funds recipient fingerprint imaging.

Over 73,000 Bay Area elders, children and adults with disabilities rely on IHSS – over 480,000 Californians. In Alameda County, over 17,600 people receive the in-home care; 17,000 workers are employed; and \$183 million a year flow into the local economy.

Supplemental Security Income/State Supplementary Program

The new Budget does not make any additional cuts to grant levels for SSI/SSP recipients. The Governor had proposed to cut \$15/month from individual grant levels, causing 38,740 Alameda County residents to lose essential income.

Cash Assistance Program for Immigrants

The new Budget preserves CAPI, which provides subsistence grants to legal immigrants who are not eligible for SSI. CAPI supports 10,000 aged, blind and disabled legal immigrants statewide and over 1,620 vulnerable Alameda County residents rely on it.

¹for details, see California Budget Project's analysis at www.cbp.org

Cumulative cuts to SSI/SSP and CAPI enacted over the last three budget cycles have affected 54,000 Alameda County residents and have resulted in a \$94 million annual loss to Alameda County's economy. SSI recipients now live well below the federal poverty level, with individual grant levels at \$845/month.

Adult Day Health Care

The Budget does not eliminate ADHC as a Medi-Cal benefit as the Governor proposed, and does not make any cuts or reductions to state funding for the program that provides therapeutic care in a safe setting and respite for caregivers. Over 1,000 frail seniors and adults with disabilities participate in ADHC programs in Alameda County each year.

Alzheimer's Day Care Resource Centers

The budget that arrived on the Governor's desk on Friday included a partial reinstatement of the state funding for ADCRCs that the Governor had eliminated from last year's budget. Unfortunately, the Governor used his line item veto again to eliminate this funding. ADCRC's provide care and assistance to keep people in middle to late stage Alzheimer's out of nursing homes. In Alameda County, the state funding of approximately \$75,000 a year allowed Alzheimer's Services of the East Bay to provide extended hours.

Linkages

Last year, the Governor used his line item veto to eliminate all state funding for this program. The legislature partially reinstated the funding in this year's budget bill, but the Governor again used his veto power to eliminate it. Linkages provides care management for frail adults with disabilities and frail elderly who need assistance to live independently in the community and avoid hospitalization and nursing home placement.

Brown Bag

The budget that arrived at the Governor's desk on Friday included a partial reinstatement of state funding for Brown Bag, a life-line program that provides groceries and fresh produce to very low income seniors. In spite of many last minute appeals, the Governor again used his veto power to eliminate this funding. This comes at a time when many more seniors find themselves without enough money to make it through the month.

In Alameda County, the Mercy Brown Bag program lost about \$20,000 from the Governor's 2009 line item cut. The Governor's new cut means that none of that funding will be reinstated.

Medi-Cal

The new Budget does not include the Governor's proposal to limit doctor visits, limit prescription medications, cap remaining optional benefits, and charge copayments for services. In addition, the Budget preserves full-scope Medi-Cal for legal immigrants (the Governor had proposed eliminating this important coverage that allows many elderly legal immigrants to participate in Adult Day Health Care programs and maintain continuity in their health care).

Community Health Centers

The Budget that reached the Governor's desk included a partial restoration of state funding for community clinics that had been eliminated in the 2009 budget (a \$35 million cut in the 2009-10 budget). The Governor used his line item veto to again eliminate state funding for community clinic programs - this time a \$10 million cut. Clinic programs affected include Rural Health Services, the Indian Health Program and the Expanded Access to Primary Care program.

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