

## **How Will California's 2007-08 Budget Impact Alameda County Seniors?**

On August 24 Governor Schwarzenegger signed the 2007-2008 State Budget, after the State Senate finally broke a month-long stalemate and passed the budget that was passed by the Assembly on July 20. The Senate made no changes to the July 20 budget bills (except to hold SB 98 that would have implemented business tax credits). Instead, the Governor used his line-item veto to reduce the final budget by \$703 million in General Fund expenditures – \$3 million over the amount that Republican legislators had demanded.

The Governor's vetoes came in the form of cuts, delays and reductions to programs and augmentations across a wide range of programs, as well as a decrease in the estimated number of new beneficiaries that will enroll in Medi-Cal. 75 percent of the cuts and reductions were in Health and Human Service programs.

The following summarizes how key components of the new State Budget will effect Alameda County's seniors and the programs that serve them.

### **◆ State COLA for SSI/SSP Recipients Permanently Rescheduled**

The federal and state Cost of Living Adjustments for SSI/SSP (2.3% and 4.6%, respectively) are regularly scheduled to take place in January 2008. The new Budget permanently reschedules the state COLA to June, resulting in a five-month "savings" of \$124 million.

California's Supplemental Security Income/ State Supplementary Program recipients are 69% disabled, 2% blind and 29% aged. More than 14,000 seniors in Alameda County survive on SSI/SSP income (of a total 51,698 SSI/SSP recipients in the County). SSI is a federal program that provides a monthly cash benefit to eligible seniors, blind and disabled people who meet income and resource criteria. California supplements that benefit (SSP).

California's SSI/SSP recipients are not eligible for food stamps; they can't supplement a loss of income with increased food stamp benefits as recipients in many other states can do. Because they are dually eligible, they are seeing their medication costs rise each year with new prescription copays under Medicare Part D.

### **◆ Governor Vetoes Adult Protective Services Augmentation**

The budget bill sent to the Governor included a \$12 million augmentation for Adult Protective Services (APS) to address growing need. The Governor deleted that augmentation from the 2007-2008 Budget.

APS is a vital safety net for thousands of California's seniors and dependent adults who are abused and neglected. Reports of abuse or neglect have risen 34 percent since 2000, a reflection of the growing number of seniors with accumulated wealth who are being targeted by financial predators. State funding for APS has remained static over the last several years, forcing APS programs to serve only the most critical cases first, delaying other reports to later when situations potentially worsen.

◆ **Governor Cuts AB 2034 Mental Health for Homeless Program**

The budget bill sent to the Governor included almost \$55 million in funding for the Integrated Services for Homeless Adults with Serious Mental Illness Program, a successful program serving over 4,700 people in 34 counties. The program began as a pilot in 1999 and a year later AB 2034 made it available to local mental health agencies and departments state-wide. The program integrates housing and services to support adults with severe mental health needs who were homeless and frequently hospitalized or incarcerated. The City of Berkeley is one of the grantees of AB 2034, receiving \$955,00 last year to serve 102 program clients, and leveraging additional federal and state funds by connecting clients with Medi-Cal and SSI/SSP.

Governor Schwarzenegger deleted the entire funding for AB 2034 from the State Budget. In his veto statement, the Governor said that although he supports the program's goals, the cut was necessary. He suggested that local governments can tap other funding sources such as federal, realignment, or Proposition 63 (Mental Health Services Act) funds.

◆ **No Indexing Increase for Multi-Purpose Senior Services Program (MSSP)**

Last year's 2006-07 Budget provided a desperately needed \$3 million funding increase for MSSP (matched dollar-for-dollar with Federal funds). That funding was only a stop-gap measure for a program that could become a thriving component of the continuum of community care. This year, providers, advocates and consumers worked to advance an indexing increase for the program, but the increase did not make it into the 2007-2008 State Budget.

MSSP serves seniors age 65+ who are Medi-Cal recipients, nursing home certifiable, and choose to live at home. MSSP successfully maintains participants in the community, and clients in MSSP are 35% less costly to the state than patients in nursing homes.

◆ **In-Home Supportive Services (IHSS) Wage Freeze Rejected**

Over 11,000 IHSS workers in Alameda County care for thousands of vulnerable children, adults and seniors. The Governor's FY 2007-08 budget proposed to freeze the State contribution to IHSS worker wages and benefits. While this freeze would not stop counties from raising wages and benefits, any increases would have to come from county coffers. The new 2007-2008 State Budget does not include the freeze. In addition, General Fund revenue growth is projected to trigger a required \$1 per hour increase in worker wages in 2007-2008.

◆ **California Discount Prescription Drug Program Left Unfunded**

This program, enacted last year by AB 2911, would have provided discounted drugs to Californians with family incomes below 300 percent of the Federal Poverty Line. The Governor vetoed the \$6.3 million allocated by the legislature for implementation of this program.

Note: this program is not to be confused with the California Prescription Drug Discount Program, which for years has allowed Medicare beneficiaries to present their Medicare card at any pharmacy participating in the Medi-Cal program, and receive the Medi-Cal rate for a drug. This program continues, but it applies only to drugs that are not 1) covered by an individual's Medicare Prescription Drug Coverage, and 2) are on Medi-Cal's list of covered drugs. (see [www.CalMedicare.org](http://www.CalMedicare.org) for details)