



CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

Budget Facts for 2009-10

*Information about the Amended Budget Passed by the
Legislature and Signed by the Governor on July 28, 2009
(including provisions 2009-10 Budget enacted in February)*

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GOVERNOR ARNOLD SCHWARZENEGGER

SECRETARY KIM BELSHÉ



California Health & Human Services Agency

HEALTH AND HUMAN SERVICES AGENCY OVERVIEW OF THE BUDGET FOR 2009-10

The California Health and Human Services Agency (CHHS) oversees twelve departments and one board that provide a range of health care services, social services, mental health services, alcohol and drug treatment services, income assistance and public health services to Californians from all walks of life. More than 33,000 people work for departments in CHHS at state headquarters in Sacramento, regional offices throughout the state and residential facilities serving individuals with mental illness and people with developmental disabilities. CHHS' receives more than \$24.95 billion from the state's General Fund, second only to education. The Agency's total budget – including federal funds and special funds – is approximately \$83 billion.

Major programs include no-cost and low-cost health care coverage for low-income Californians (Medi-Cal); income support for the aged, blind or disabled (SSI/SSP); income support for CalWORKs recipients, low-cost public health insurance (Healthy Families) for children from working families. Other large programs administered by CHHS departments include food stamps, child welfare services, in-home supportive services, support for the developmentally disabled, foster care, mental health services, drug and alcohol treatment, and vocational rehabilitation. CHHS directly serves millions of Californians in health and human service programs, while touching the lives of all Californians through statewide efforts such as public health protection and emergency preparedness and response.

CHHS' substantial reliance on the General Fund means most programs and departments face spending reductions in difficult fiscal times. The Governor and Legislature made significant general fund reductions to CHHS programs in the Budget enacted for the 2009-10. This includes changes adopted in the February budget act for 2009-10 as well as further reductions in the Amended Budget enacted on July 28, 2009.

Overall, General Fund support for the Health and Human Services Agency will decline by 13.4 percent, from \$28.8 billion in fiscal year 2008-09 to \$24.953 billion in fiscal year 2009-10. Over 33,000 employees in the Agency will continue to take a 13.64 percent pay reduction and be furloughed 36 days in fiscal year 2009-10. CHHS is also in the process of eliminating positions through attrition and layoff.

General fund support will be significantly reduced for the Agency's largest programs including Medi-Cal, CalWORKs, SSI/SSP, Developmental Services, In-Home Supportive Services, Healthy Families and child welfare services, among others. Despite the reductions, the budget makes significant short-term and long-term reforms to programs, including:

- major changes to address fraud in the IHSS program;
- efforts to improve care coordination and centralize eligibility determination in the Medi-Cal program; and,
- long-term reforms to CalWORKs aimed at increasing the work focus of the program.

OVERVIEW OF THE BUDGET FOR 2009-10 BY DEPARTMENT

Department of Aging

The California Department of Aging (CDA) administers programs that serve older adults, adults with disabilities, family caregivers, and residents in long-term care facilities throughout the state. CDA administers funds allocated through the federal Older Americans Act, the Older Californians Act, and the Medi-Cal program.

The Amended Budget for 2009-10 includes \$204.9 million (\$33.3 million General Fund) for the Department, a net decrease of \$15.8 million General Fund from the 2008-09 revised budget.

The budget reductions and vetoes resulted in the elimination of all state support for Community-Based Services Programs (see pages 28-30 for more detail).

The Amended Budget includes an increase of \$8.016 million in American Recovery and Reinvestment Act federal funds for the Senior Nutrition and Senior Employment Programs and \$1.6 million for various budget adjustments.

Department of Alcohol and Drug Programs

The Department of Alcohol and Drug Programs (ADP) leads the state's efforts to reduce alcoholism, drug addiction and problem gambling. The department is responsible for administering funding to local governments; certifying, licensing, monitoring and auditing alcohol and other drug programs; and developing and implementing prevention programs and strategies.

The Amended Budget for 2009-10 includes \$661 million for ADP (\$189.5 million General Fund) a total decrease of \$38.4 million (\$20.4 million General Fund) from the 2008-09 revised Budget.

This budget reflects the elimination of \$98.9 million funding for Proposition 36 programs (the Substance Abuse and Crime Prevention Act of 2000) and a rate reduction for Drug Medi-Cal programs. (See page 26 for more detail.)

Department of Child Support Services

The Department of Child Support Services (DCSS) ensures effective implementation of all functions necessary to establish, collect and distribute child support for the statewide child support program. Child support program services are delivered through 52 local child support agencies. The following services are available to the public: locating a parent; establishing paternity; establishing, modifying and enforcing a court order for child support and health insurance coverage.

The Amended Budget for 2009-10 estimates that child support collections will be \$2.3 billion (\$225.4 million General Fund) in fiscal year 2008-09 and \$2.3 billion (\$183.3 million General Fund) in 2009-10. Of these amounts, \$71.3 million (\$21.8 million General Fund) in 2008-09 and \$7.0 million (\$2.2 million General Fund) in 2009-10 are one-time intercepts of Federal Stimulus Tax Rebate payments and American Recovery and Reinvestment Act Economic

Recovery payments. The budget also reflects a reduction of \$36.1 million to defer various non-critical changes to the automated child support system.

DCSS completed statewide automation of its child support statewide information management and child support collections with the California Child Support Automation System (CCSAS). Implementation began in May 2007 and was complete in November 2008. In addition, DCSS completed statewide implementation of the Enterprise Customer Service Solution Interactive Voice Response and Skill Based Call Routing System in June 2009.

Department of Community Services and Development

The Department of Community Services and Development (CSD) primarily administers federal programs to assist low-income families to achieve and maintain self-sufficiency, reduce their home energy burden through utility assistance and weatherization, and reside in housing free from the dangers of lead hazards. CSD works with a network of more than 100 agencies throughout California that provide services and programs directly in the community.

The Amended Budget for 2009-10 includes \$338 million (\$0 General Fund) for the CSD, an increase of \$171 million from the revised 2008-09 budget. The increase is due to American Recovery and Reinvestment Act funds for the Community Services Block Grant and the federal Department of Energy Weatherization Assistance Program.

Department of Developmental Services

The Department of Developmental Services (DDS) is responsible under the Lanterman Developmental Disabilities Services Act for ensuring Californians with developmental disabilities receive the services and supports they need to lead more independent and productive lives and to make choices about their lives.

The term “developmental disability” refers to a disability that originates before the age of 18 and continues indefinitely. It includes people with mental retardation, cerebral palsy, epilepsy, autism, and related disabling conditions.

California provides services and supports to more than 244,000 individuals with developmental disabilities in communities and state-run centers.

The Amended Budget for 2009-10 includes \$4.7 billion (\$2.4 billion General Fund) for DDS, an increase of \$22 million above the revised 2008-09 budget. The budget assumes \$384 million in General Fund savings in 2009-10 (see page 18 for more detail).

Emergency Medical Services Authority

The Emergency Medical Services Authority (EMSA) coordinates emergency medical services statewide; develops guidelines for local emergency medical service (EMS) systems; regulates the education, training, and certification of EMS personnel; and coordinates the state's medical response to any disaster by preparing, training, and deploying California's mobile medical assets, which include mobile field hospitals, California Medical Assistance teams, and Ambulance Strike Teams.

The Amended Budget for 2009-10 includes \$22.5 million (\$8.6 million General Fund) for EMSA. The Budget includes a \$2.95 million General Fund reduction to the California Poison Control System.

Department of Health Care Services

The Department of Health Care Services (DHCS) works to preserve and improve the health status of all Californians. The Department works to ensure that eligible individuals and families receive comprehensive health care services through the appropriate and effective expenditure of public resources.

DHCS administers Medi-Cal (California's Medicaid program), a health care program for low-income individuals and families who receive public assistance or lack health care coverage. Medi-Cal serves an estimated 6.8 million people -- growing to 7.2 million in FY 2009-10 -- and is the largest General Fund expenditure in state government except for education.

The Amended Budget for 2009-10 contains \$39.2 billion (state operations and local assistance, total funds) for DHCS, including \$11.2 billion General Fund. The total budget reflects a decrease of \$583.7 million, including a General Fund decrease of \$2 billion which is offset by a federal and special fund increase of \$1.4 billion from the revised 2008-09 budget (see page 9 for more detail).

DHCS also administers the California Children's Services (CCS) Program and the Genetically Handicapped Persons Program, Child Health and Disability Prevention Program (CHDP) and the primary care and rural health programs.

The Amended Budget for 2009-10 makes no changes in income levels for eligibility and basic health benefits.

Managed Risk Medical Insurance Board

The Managed Risk Medical Insurance Board (MRMIB) was created in 1990 with a broad mandate to advise the Governor and the Legislature on strategies for reducing the number of uninsured persons in the state. MRMIB is comprised of volunteer members appointed by the Governor and the Legislature. MRMIB administers three health care programs – Healthy Families, Access for Infants and Mothers (AIM) and the Major Risk Medical Insurance Program (MRMIP) as well as the County Health Initiative Matching Fund (CHIM) program.

The Amended Budget for 2009-10 includes \$1.043 billion (\$227.7 million General Fund) for MRMIB, \$258.5 million (\$172.2 million GF) below the 2008-09 budget.

AIM and MRMIP do not receive funding from the state General Fund. MRMIP funding, however, is reduced by \$1.1 million because of declining tobacco tax funds (Prop. 99).

The Amended Budget for 2009-10 includes \$178.6 million in reductions to the Healthy Families that will likely result in a large number of disenrollments from the program absent a change in the funding situation (see page 23 for more details).

Department of Mental Health

The Department of Mental Health (DMH) ensures that a continuum of care exists throughout the state for children and adults who are mentally ill by providing oversight of community health programs and direct services through state mental hospitals.

The Amended Budget for 2009-10 includes \$5 billion (\$1.9 billion General Fund) for DMH, a net decrease of \$123.2 million (\$80.1 million General Fund) from the revised 2008-09 budget.

The net change primarily reflects the American Reinvestment and Recovery Act changes to the Federal Medical Assistance Percentage, the elimination of status support in the Mental Health Managed Care program for services other than federally reimbursed services, reduced Early Periodic Screening, Diagnosis, and Treatment (EPSDT) funding to recognize county funding of programs developed utilizing Proposition 63 dollars, deferred payments for mandated mental health services to students, reduced Caregiver Resource Center funding for information referral and respite services to families and caregivers of cognitively impaired individuals, and increased State Hospital funding to support compliance with Coleman v. Schwarzenegger. (See page 24 for more detail.)

Department of Public Health

The California Department of Public Health (CDPH) works to keep Californians safe and healthy through the delivery of quality public health services. The Department licenses health facilities throughout California, maintains safe drinking water, responds to natural disasters and other emergencies and protects Californians from communicable diseases, epidemics and contaminated food.

The Amended Budget for 2009-10 includes \$3.4 billion (\$179 million General Fund) for CDPH, a decrease of \$170 million General Fund from the revised 2008-09 budget.

The Amended Budget includes General Fund reductions in state support and local assistance for HIV/AIDS programs, including the AIDS Drug Assistance program (ADAP) (see page 27 for more detail). ADAP, however, will remain unchanged as the general fund reduction will be backfilled with special funds. The state will continue to meet the federal maintenance-of-effort requirement for receipt of Ryan White Comprehensive AIDS Resources Emergency (CARE) Act funds. Other savings are achieved through reductions and vetoes to the Maternal, Child and Adolescent Health Program and the Domestic Violence Program (\$37.2 million General Fund). (See page 28-29 for more detail.)

Department of Rehabilitation

The Department of Rehabilitation (DOR) works in partnership with consumers and other stakeholders to provide services and advocacy resulting in employment, independent living and equality for individuals with disabilities.

The Amended Budget for 2009-10 includes \$405 million (\$58 million General Fund) for DOR, a net increase of \$12 million (\$1.6 million General Fund) above the revised 2008-09 budget.

The Amended Budget for 2009-10 also includes \$48.6 million in American Recovery and Reinvestment Act (ARRA) federal funds to make short term program improvements that

provide long term benefits; increase employment outcomes for individuals with disabilities, especially those with the most significant disabilities; and to make an investment in the future to increase the capacity to generate employment outcomes and enable Californian's with disabilities to live independently in their communities.

Department of Social Services

The Department of Social Services (DSS) provides aid, service, and protection to children and adults in need of assistance. DSS programs are aimed at promoting the well-being of children, strengthening families, and helping adults and parents achieve their potential for economic self-sufficiency and independence.

The Amended Budget for 2009-10 includes \$21.2 billion (\$8.4 billion General Fund) for DSS, a decrease of \$1.9 billion (\$1 billion General Fund) from the revised 2009-10 budget.

Significant changes were made in the Amended Budget to achieve savings in other DSS programs including CalWORKs (see page 12), SSI/SSP (page 16), IHSS (page 19), and Child Welfare Services (page 25).

Office of Statewide Health Planning and Development

The Office of Statewide Health Planning and Development (OSHPD) promotes healthcare accessibility through leadership in analyzing California's healthcare infrastructure, promoting a diverse and competent healthcare workforce, providing information about healthcare outcomes, assuring the safety of buildings used in providing healthcare, insuring loans to encourage the development of healthcare facilities, and facilitating development of sustained capacity for communities to address local healthcare issues.

The Amended Budget for 2009-10 makes no changes to the provisions of the 2009-10 budget adopted in February, including \$101.6 million (\$80,000 General Fund) for OSHPD, a net increase of \$12.8 million above the revised 2008-09 budget (\$293,000 General Fund decrease).

In addition, the budget adopted in February includes \$13.1 million for the Facilities Development Division to fund two new Collaborative Design/Review regions, two new Over-the-Counter units, and an increase in external contract authority to in order to improve the efficiency of the hospital construction plan review process. OSHPD is experiencing a significant increase in workload due to a statewide increase in hospital construction.

The enacted budget for 2009-10 also includes \$1.5 million for the Healthcare Workforce Development Division to fund the additional costs associated with the development and administration of the Health Care Workforce Clearinghouse Program, as required in Chapter 522, Statutes of 2007 (SB 139). The Clearinghouse will address and assess California's healthcare workforce infrastructure and inform health policy and planning.

SUMMARY OF MAJOR REDUCTIONS

Budget reductions in 10 major areas of spending in the California Health and Human Services Agency account for most of the \$4.5 billion in General Fund reductions in the Agency in 2009-10. This table shows all reductions for the fiscal year running from July 1, 2009 to June 30, 2010. It includes reductions that were adopted in the 2009-10 Budget enacted in February as well as reductions adopted in the Amended Budget for 2009-10 enacted on July 28, 2009.

MAJOR GENERAL FUND REDUCTIONS IN THE BUDGET FOR FY 2009-10
(Dollars in Millions)

	<u>Feb. 2009</u>	<u>July 2009</u>	<u>Total '09-10</u>
Medi-Cal	\$208.3	\$1,381.5	\$1,589.8
CalWORKs	272.2	509.6	781.8
Cash Aid to Aged, Blind and Disabled (SSI/SSP)	593.5	109	702.5
Developmental Services	100	284	384
In-Home Supportive Services	1.7	266.5	268.2
Managed Risk Medical Insurance Board (Healthy Families)	0	178.6	178.6
Mental Health Services	0	167.4	167.4
Child Welfare Services	0	120.7	120.7
Alcohol and Drug Treatment	0	98.8	98.8
HIV/AIDS Programs	0	82.1	82.1
Other major CHHS program reductions*	0	\$142.1	\$142.1
TOTAL	\$1,175	\$3,340	\$4,516

*includes budget reductions to community health clinics (\$25 million), public health programs, including domestic violence and maternal, child and adolescent health (\$37.2 million), caregiver resource centers (\$7.6 million), and senior programs (\$10.5 million). See page 28 for more detail. This figure also includes a budget reduction to the Local Assistance Immunization program (\$18 million), which was backfilled by federal stimulus funding. Other miscellaneous reductions -- none exceeding \$5 million -- as well as fund shifts and technical corrections account for the remaining \$51.3 million in GF savings in 2009-10.

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MEDI-CAL - \$1.59 Billion GF Savings

- Medi-Cal (California's version of Medicaid) is a state/federal public health insurance program serving low-income families, seniors, persons with disabilities, children in foster care, pregnant women and certain low-income adults.
- Medi-Cal served 6.8 million recipients in 2008-09 and will serve 7.2 million people in 2009-10, mostly from households with incomes that are below 100 percent of the federal poverty level (\$18,310 for a family of three).
- More than 400 hospitals and approximately 130,000 doctors, pharmacists, dentists and other health care providers participate to provide medically necessary services to Medi-Cal recipients.

Changes in the 2009-10 Budget

February 2009 **(\$208.3 million GF savings)**

- Optional Medi-Cal Benefits for Adults were eliminated effective July 1, 2009 as a provision of the budget for 2009-10 enacted in February. This includes acupuncture services, adult dental, chiropractic services, incontinence creams and washes, optician/optical lab services, optometry services, podiatry services, psychology services, speech therapy and audiology services. As required by federal law, these services will continue to be available for persons in a licensed skilled nursing facility or intermediate care facility and persons enrolled in the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program. Pregnancy-related services and services for the treatment of other conditions that might complicate the pregnancy will continue to be covered. California will continue to offer 26 optional benefits. (GF savings \$129.4 million)
- A Cost-of-Living Adjustment (COLA) of approximately 4 percent for County Administration was suspended (estimated savings \$24.7 million)
- Public Hospitals Rates were reduced 10 percent for designated public hospitals for uncompensated care to the uninsured (estimated savings \$54.2 million)

July 2009 **(\$1.38 billion GF savings)**

- Federal Medi-Cal Flexibility and Stabilization: Under the Amended Budget enacted in July, \$1 billion in savings is attributable to the receipt of federal funds within the Medicaid (Medi-Cal) program that are past due or authorized through waivers from the federal government. Examples include, but are not limited to, Social Security Disability Insurance benefits that inappropriately resulted in state rather than federal Medicare expenditures, retroactive payment of duplicative but federally required Part B (medical insurance) premium payments due to systemic errors, needed adjustments to formulas that penalize California, such as the Medicare Part D "clawback" (formula driven drug

coverage costs that do not appropriately account for California efficiencies such as drug rebate collections), and receipt of federal funds under various existing waivers.

- **Medi-Cal Skilled Nursing Facilities:** \$96.4 million in budget solutions by expanding the amount of revenue upon which the AB 1629 fee (fees paid by the industry that match federal funds and are used for provider rate increases and General Fund relief to a lesser degree) is assessed to include Medicare revenues (\$6.4 million), and suspending an estimated 5 percent statutory rate adjustment (individualized for each facility primarily based on their staffing) for AB 1629 skilled nursing facilities and non-AB 1629 intermediate care providers (\$90 million, including the impact of the related AB 1629 fee revenue loss).
- **Medi-Cal Pharmacy Reforms:** \$66 million in savings by implementing new federal and state drug pricing policies aimed at lowering costs and retaining quality care. These reforms require federal drug pricing providers to dispense only drugs purchased through the program, compel manufacturers of HIV/AIDS/cancer drugs to pay particular rebates subject to a penalty for non-compliance, establish upper billing limits for drugs, and direct the state to perform a therapeutic category review of antipsychotic drugs.
- **Medi-Cal County Administration:** \$60.5 million in reductions is necessary to generate a prudent budget reserve and to reduce the structural deficit.
- **Reduce Funding for Private Hospitals:** \$47.9 million in budget solutions by shifting \$23.9 million from unobligated distressed hospital and supplemental funds rather than General Fund to support replacement Disproportionate Share Hospital costs, and reducing General Fund support by \$23.9 million for private hospitals by 10 percent, a commensurate reduction as public hospitals received in the February Budget Act.
- **Medi-Cal Anti-Fraud Expansion:** \$46.8 million in savings is due to expanding efforts to combat fraud, waste, and abuse within the Medi-Cal program. Specific efforts will focus on the areas of adult day health care, physician services, and pharmacy.
- **Adult Day Health Care Reform:** \$28.1 million in savings by limiting services to no more than three days per week, freezing program rates as of August 1, 2009, and performing onsite treatment authorization request reviews. Reforms also authorize the establishment of a definition of medical acuity (necessity) and direct a stakeholder workgroup process to proceed with implementation aspects of the definition.
- **Other Medi-Cal Solutions:** \$35.8 million in budget solutions result by reducing rates by 10 percent for small and rural hospitals (authorized by Chapter 758, Statutes of 2008, and excluding rural reference centers and critical access hospitals) for savings of \$7 million, eliminating state-only ancillary services (physician, pharmacy, laboratory, physical therapy, etc.) for individuals residing in institutions for mental diseases for savings of \$14.2 million, and reflecting the federal stimulus impact on caseload and solutions for savings of \$14.6 million.

Long-Term Medi-Cal Reform

In addition to the changes above, the Amended Budget for 2009-10 sets in motion processes to achieve long-term reforms in the Medi-Cal program.

- **Centralizing Eligibility and Enrollment for Public Assistance:** The budget establishes a framework for transforming enrollment and eligibility for the Medi-Cal, CalWORKs, and food stamp programs from an inefficient, labor-intensive, and decentralized system to a modern and online process. This modernization effort will help improve access to health and human services while reducing costs in subsequent years.
- **Improving Health Care Coordination and Controlling Long-Term Medi-Cal Costs:** The budget includes reform that gives the Department of Health Care Services (in partnership with the federal government and stakeholders) broad authority under a demonstration project or waiver to utilize managed care or other specialized delivery systems of care for vulnerable populations, including seniors, people with disabilities, children with significant medical needs, and individuals with behavioral health problems. By providing earlier and appropriate care, this program restructuring will keep Californians healthier and avoid unnecessary emergency room visits. Savings of \$800 million (\$400 million General Fund) are estimated to be achieved through this effort by 2012-13.

CALIFORNIA WORK OPPORTUNITIES AND RESPONSIBILITY TO KIDS (CalWORKs) -
\$781.8 Million GF Savings

- CalWORKs, California's version of the federal Temporary Assistance for Needy Families (TANF) program, provides cash aid and services to help people meet basic needs such as housing and food.
- CalWORKs is intended to provide temporary assistance to help families become self-sufficient. It was designed to promote work for those on aid by providing education, employment training, child care, transportation, work expenses and counseling for families.
- "Work activities" include unsubsidized and subsidized employment, community service, adult basic education, vocational educational training and job search/job readiness assistance. Federal rules require most single-parent families to participate 30 hours per week in work activities and most two-parent families to participate 35 hours per week in work activities.
- CalWORKs currently serves approximately 1.2 million people (495,798 cases). It is projected that in fiscal year 2009-10, CalWORKs will serve 1.4 million people (573,838 cases). California's CalWORKs population is 30 percent of the nation's TANF caseload, while California has only 12 percent of the nation's population.
- Approximately 232,000 (47 percent) of CalWORKs cases receive full family grants. This group has been in the CalWORKs program fewer than five years and is following program rules. The maximum grant for a family of three in this group is \$694 per month.
- Approximately 176,000 cases (35 percent) of CalWORKs cases are considered "child-only," meaning the family includes a non-eligible adult (undocumented non-citizen, certain felons, SSI/SSP recipients, non-needy caretakers). Approximately 54 percent of "child-only" cases are citizen children of undocumented adults, 22 percent of cases are the children of non-needy caretakers, and 19 percent are the children of SSI/SSP recipients.
- Approximately 48,000 cases (10 percent) of CalWORKs cases with a work-eligible adult receive a reduced level of assistance known as a "safety net" grant because they have been on aid longer than five years. For a typical family of three the maximum grant of \$694 has been reduced by \$139 per month, which is the adult's portion of the grant. As of January 2008, California was one of only 11 states nationwide to continue to provide aid for children through a "Safety Net" program.
- Approximately 40,000 (8 percent) of CalWORKs cases have been sanctioned for failing to participate in work activities, meaning their grants have been reduced. For a typical family of three, the maximum grant of \$694 has been reduced by the adult portion of the grant, or \$139 per month, to \$535 per month.

Changes in the 2009-10 Budget from February 2009

- The Budget Act in February suspended a 2.94 percent Cost-of-Living Adjustment (COLA) that was scheduled to take effect in July 2009 (\$59.9 million GF savings)
- CalWORKs grants were reduced 4 percent, reducing the maximum monthly cash grant from \$723 to \$694 (\$157.7 million GF savings).
- The County “Pay for Performance” program was eliminated (\$40 million GF savings) and the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Replacement project was delayed (estimated savings \$14.6 million).

Major CalWORKs Reforms in the 2009-10 Budget from July 2009

Short-Term Reforms to CalWORKs

The Amended Budget achieves \$509.6 million in savings in 2009-10 by allowing counties to limit services and ease work requirements for individuals in the CalWORKs program for a two-year period ending July 1, 2011.

- Current law exempts CalWORKs recipients with children under the age of 1 from work participation requirements. Under the Amended Budget, two new groups of CalWORKs recipients will be exempted from work requirements until July 1, 2011: parents with children between the ages of 12 months to 24 months, and parents with two or more children under the age of 6.
- While exempted, the 60-month time limit on aid will not apply (meaning the clock stops).
- Counties will have more latitude to focus employment training and supportive services such as child care and transportation on clients who are meeting state and federal work requirements. The Amended Budget for 2009-10 also allows counties to re-direct substance abuse and mental health funding toward employment and supportive services.
- There was no further change to the CalWORKs cash grant, currently \$694 a month for a typical family of three.

Long-Term Reforms to CalWORKs

Under the provisions of the Amended Budget for 2009-10, CalWORKs rules will change on July 1, 2011 to require more face-to-face visits for recipients not meeting work-participation requirements, impose increased sanctions for those who do not comply with state work-participation rules, permanently eliminate automatic grant increases, and change the way in which the lifetime limit on aid for adults is applied. The estimated annual general fund savings associated with these changes is \$600 million.

Self-Sufficiency Reviews

- Adults not meeting work requirements will be required to take part in Self-Sufficiency Review's (SSRs), meeting with county workers every six months so that they can be provided information to help them reduce their dependency on public assistance. County workers will assess what services or resources might be necessary to remove barriers to meeting work requirements.
- Individuals who fail to attend SSR's without good cause will be notified that their CalWORKs grant will be reduced by 50 percent beginning the first day of the following month. If the county determines that the individual had good cause for not attending, the grant cut will not be made.
- Adults already meeting work requirements are not required to take part in SSRs.

Graduated Sanctions

- The Amended Budget for 2009-10 changes the law to make gradual grant reductions for CalWORKs recipients who do not comply with work requirements.
- Beginning July 1, 2011, work-eligible adults who have lost the adult portion of their grant and still are not complying with work requirements will face an additional grant reduction of 25 percent. If non-compliance continues, their grant would be reduced again to an amount equivalent to 50 percent of the child-only grant. The sanctions would be imposed in steps, with a county review (face-to-face meeting or home visit) prior to each reduction to address any barriers to participation:
 - Step 1 – If the adult is not meeting work requirements for three cumulative months, the adult portion of the grant will be removed (\$139 from a total grant of \$694), leaving a monthly grant of \$555.
 - Step 2 – If the adult is not meeting work requirement for an additional three cumulative months, another 25 percent of the remaining child-only grant will be removed, leaving a monthly grant of \$416.
 - Step 3 – If the adult is still not meeting work requirements for an additional three cumulative months (9 total months), the grant would be reduced by 50 percent of the child-only grant of \$555, meaning a \$277 grant reduction resulting in monthly grant of \$278.

- The Amended Budget for 2009-10 also changes the law in a way that affects certain non-work eligible adults (undocumented non-citizens and certain felons) in the CalWORKs program after five years. Beginning July 1, 2011:
 - non-work-eligible adults who are offered child care, transportation and community service options who meet work-activity requirements will face no grant reductions.
 - non-work-eligible adults who are offered these services but do not comply with work requirements will be subject to self-sufficiency reviews after 5 years and face a 25 percent grant reduction, from \$555 per month to \$416 per month, followed by further reductions up to 50 percent of the child-only grant, from \$416 to \$278.
 - non-work-eligible adults who are not offered child care, transportation and community service options will face a 25 percent grant reduction after 5 years in the program, but will face no further sanctions.
- Aged, blind or disabled individuals (on SSI/SSP) who receive Cal-WORKs for their children, as well as non-needy caretakers, would not be subject to self-sufficiency reviews, “sit-out” periods, time limits, or graduated sanctions.

No Automatic Grant Increases

- Previously, the law provided for annual cost-of-living grant increases each year for CalWORKs recipients. Under the Amended Budget for 2009-10, these automatic increases are permanently eliminated.

“Sit-Out” Period & Time Limits

- Effective July 1, 2011, adults receiving CalWORKs would be eligible for 48 cumulative months (4 years), and then their grant will be reduced for a 12-month “sit out” period. During this time, the adult would receive a lesser grant for their children only and could receive child care and other support services at the county’s discretion.
- At the end of the 12-month sit-out period, adults could return to the program for an additional 12 months until they reach their maximum limit of 60 months (5 years) in the program. After that time, adults would receive cash aid for their children only and could receive child care and other support services at the county’s discretion.
- Sanctions have changed under the 2009-10 budget. Sanction months now count toward the CalWORKs 60-month time limit for the adult cash grant. Previously, once an individual was sanctioned, the clock stopped.

CASH AID TO THE AGED, BLIND AND DISABLED (SSI/SSP) -
\$702.5 Million GF Savings

- Supplemental Security Income/State Supplementary Payment (SSI/SSP) is a federal/state income program that provides a monthly case benefit to low-income aged, blind, or disabled individuals or couples.
- In July 2009, low-income individuals who are 65 years or older, blind or disabled qualified for a typical monthly payment of up to \$870 for an individual and \$1,524 for couples.
- Approximately 1.26 million children and adults are estimated to receive monthly SSI/SSP assistance in 2009-10. Of that, 870,418 (69 percent) are disabled, 366,861 (29 percent) are aged, and 19,921 (2 percent) are blind.
- In addition, approximately 10,000 individuals receive cash assistance through the Cash Assistance Program for Immigrants (CAPI). This program serves individuals who do not qualify for SSI/SSP due solely to their immigration status.
- California is one of 23 states that supplement the federal SSI payment for the typical aged individual living independently with the SSP.

Changes in the 2009-10 Budget

February 2009

- A Cost-of-Living Adjustment (COLA) was suspended in the February budget for 2009-10 effective May 1, 2009 (\$362.8 million GF savings).
- SSI/SSP grants were reduced by 2.3 percent effective July 1, 2009, reducing grants from \$870 to \$850 for individuals and \$1,524 to \$1,489 for couples (\$230.7 million GF savings).

July 2009

- The Amended Budget for 2009-10 permanently eliminates automatic cost-of-living adjustments for SSI/SSP recipients.
- SSI/SSP grants to individuals and couples will be reduced effective Nov. 1, 2009:
 - Approximately 1 million individuals receiving SSI/SSP will see a .6 percent reduction in their monthly grant, from \$850 per month for the maximum grant to \$845 per month (\$42 million GF savings).
 - Approximately 245,363 couples receiving SSI/SSP will see their grants reduced to the minimum allowed under federal law, from \$1,489 per month for the maximum grant to \$1,407, a reduction of \$82 per month (\$67 million GF savings).

- Grants for individuals and couples in the CAPI program will be reduced by the same amounts as those the SSI/SSP program (\$700,000 GF savings in 2009-10).
- Despite the reductions, California's SSI/SSP grants will remain second highest in the nation.

DEVELOPMENTAL SERVICES - \$384 Million GF Savings

- The Department of Developmental Services (DDS) is responsible under the Lanterman Developmental Disabilities Services Act for ensuring Californians with developmental disabilities receive the services and supports they need to lead more independent and productive lives and to make choices about their lives.
- A “developmental disability” originates before the age of 18 and continues indefinitely. Developmental disabilities include mental retardation, cerebral palsy, epilepsy, autism, and related disabling conditions.
- California provides services and supports to individuals with developmental disabilities in two ways: the vast majority of people live in their families’ homes or other community settings and receive state-funded services that are coordinated by one of 21 non-profit corporations known as Regional Centers. A small number with significant medical or social concerns live in one of four state-run residential facilities, and two smaller facilities known as State-Operated Community Facilities.
- The number of consumers with developmental disabilities in the community served by Regional Centers is expected to grow by 12,820 in 2009-10 to 242,495. The number of consumers living in state-run residential facilities will drop in fiscal year 2009-10 to 2,240, partially due to the planned closure of the Sierra Vista Community Facility.

Changes in the 2009-10 Budget

- At the direction of the Governor and Legislators, the DDS implemented a stakeholder process to receive input on program changes to achieve \$334 million General Fund savings. DDS developed a list of 25 proposals to achieve program savings which were submitted to the Legislature.
- The Budget adopted in July 2009 included all of the proposals to achieve the \$334 million General Fund targeted savings. For more detail, go to: <http://www.dds.ca.gov/Director/docs/2009BudgetReductionsSummary.pdf>.
- In addition, the Governor vetoed an additional \$50 million from the DDS budget, specifically Regional Centers Purchase of Services for services provided to children up to age 5. These services are due to program growth and thus eligible for funding from the California Children and Families Commission. The Governor is not seeking to change eligibility or services for these children for purposes of achieving these savings and has urged the Commission to provide supplemental funding for the growth in these services.
- The Amended Budget for 2009-10 includes \$4.7 billion (\$2.4 billion GF) for DDS, an increase of \$22 million from the revised 2008-09 budget.

IN-HOME SUPPORTIVE SERVICES (IHSS) - \$268.2 Million in General Fund Savings

- IHSS provides in-home assistance to low-income adults who are over 65 years of age, blind or disabled, and to children who are blind or disabled. IHSS providers perform a range of household tasks and personal care services based on an individual's needs including bathing, dressing, cooking, feeding and supervising recipients according to their needs so that they may remain safely in their homes.
- The IHSS program is funded with federal, state and local government resources. Federal Medicaid funds support IHSS with participation of 61 cents per dollar spent on IHSS. The remaining costs are split between the state and the counties, with the state paying about 25 percent overall, and counties paying the remainder, or about 14 percent.
- In 2009-10, approximately 462,198 people are expected to receive IHSS services, provided by an estimated 376,308 providers.
- Individuals eligible for IHSS have their need for services assessed by county social workers, using a standardized assessment protocol. Using that protocol, the worker authorizes a specific number of service hours per month based on functional scores of 1 to 5, with one being the lowest level of need and five the highest.
- The individual then hires a provider of his/her choosing, sets hours for the provider and acts as the provider's employer. Nearly 60 percent of IHSS service providers are family members of recipients.
- Providers are paid an hourly wage from \$8 to \$12.35, depending on the county. Hourly wages are collectively bargained at the county level in negotiations with local provider organizations called public authorities or non-profit consortia
- Providers deliver in-home supportive services and turn in timecards indicating the number of hours worked. Paychecks are issued by the state, with reimbursement to the state from counties and the federal government for their share of wage costs.

Changes in the 2009-10 Budget

The Amended Budget for 2009-10 includes a range of efforts to address fraud in the IHSS program. The net estimated savings associated with these efforts is \$130 million GF. In addition, the enacted budget reduces and eliminates IHSS services to individuals with the lowest needs, achieving savings estimated at \$82.1 million in 2009-10. Further savings of \$42.8 million (including \$1.7 million from February budget) is achieved by eliminating the state's payment of recipients' Medi-Cal share-of-cost requirements as well as reducing administrative funding to public authorities (\$13.3 GF savings), for total GF savings in 2009-10 of \$268.1 million.

Major Reforms to Address Fraud

Fingerprinting and Background Check Requirements

- Under the Amended Budget for 2009-10, recipients of IHSS services will be fingerprinted at assessment beginning April 1, 2010. The Department of Social Services will consult with county welfare departments to develop protocols and procedures for obtaining fingerprints to ensure that recipients do not receive duplicate aid in more than one county, under more than one name or at multiple addresses.
- Current providers will be required to complete a new enrollment form, pay for fingerprinting and a background check, and complete an orientation between Nov. 1, 2009 and June 30, 2010 as a condition of continued employment.
- Effective immediately, new providers applying through a public authority will be required to pay for fingerprinting and background checks prior to providing IHSS services. New providers applying through a county will be required to do this by Nov. 1, 2009.
- Any individual convicted in the last 10 years of three specific crimes -- defrauding a government health care or supportive service programs, felony child abuse or felony elder abuse -- will be excluded from the program.

Face-to-Face Enrollment

- Effective immediately, new providers of IHSS services will be required to enroll face-to-face with county social workers or public authorities, providing original identification documentation that must be photocopied and retained.

New Civil Penalties and Timecard Improvements

- Until the Amended Budget of 2009-10, there were no provisions in law for civil penalties for fraud in the IHSS program. Under the new law, providers will be subject to civil penalties of \$500 to \$1,000 following a criminal conviction for fraud. In addition, the new law requires that timecards indicate that these civil penalties may apply if the information on the timesheet is found not to be true and correct. In addition, effective July 1, 2011, time cards will include the index fingerprints of both the provider and the recipient.

Funding for Targeted Mailings

- The Amended Budget provides funding to send information to recipients and providers about program integrity concerns.

Limiting Use of P.O. Boxes

- Effective immediately, providers may not list P.O. Boxes on enrollment forms but must use their physical residential address. Paychecks shall not be sent to P.O. Boxes unless the county approves circumstances that make it necessary.

New Authority to Enforce Compliance with Program Requirements

- The Amended Budget authorizes 78 positions for counties to conduct program integrity activities including unannounced home visits to recipients to ensure that services are necessary and being provided as intended.

New Resources and Authority to Investigate and Share Information About IHSS Fraud

- Under the Amended Budget, counties will be authorized to investigate fraud and will be able to coordinate and share data with DSS and DHCS in those investigations. In addition, the budget provides \$10 million to counties to investigate and prosecute suspected fraud.

Service Reductions

The Amended Budget for 2009-10 achieves \$82.1 million in GF savings (\$53.2 million in the budget and an additional \$28.9 million by veto) in the IHSS program by eliminating or reducing IHSS services to individuals with the lowest needs:

- Domestic and related services including housekeeping, meal preparation, food shopping and errands will be eliminated for individuals whose needs are assessed at a functional index (FI) rank of 1, 2 or 3. The neediest individuals (with scores of 4 and 5) will continue to receive domestic and related services. This change means that an estimated 97,020 individuals will lose these kinds of IHSS services, but they will continue to receive other IHSS services.
- The enacted budget for FY 2009-10 eliminates all IHSS services to an estimated 36,179 recipients with FI scores of 1.99 or below. Certain exemptions apply.

Elimination of State Payment of Recipients' Share-of-Cost

An individual is required to pay a deductible, or "share of cost" of IHSS services if his or her income is in excess of the IHSS benefit requirements. The state elected to make those share-of-cost payments for a small number of IHSS recipients after the state negotiated a federal waiver to allow for federal financial participation in the IHSS program.

- Under the Amended Budget for 2009-10, the state will no longer make this payment for 9,277 IHSS recipients, meaning they will be required to cover their own share of cost in the program, consistent with the obligations of other Medi-Cal recipients (\$41.1 million GF savings).
- In February 2009, this share-of-cost payment was eliminated for new recipients effective July 1, 2009, bringing the total savings in 2009-10 to \$42.8 million.

Administration

- Funding will be reduced for administration costs for IHSS public authorities by 43 percent, for estimated savings of \$13.3 million (\$4.7 million in budget reductions plus an additional \$8.6 million veto).

Wages

- No changes to wages are included in the Amended Budget for 2009-10. A reduction in state participation in IHSS wages from \$12.10/hr. to \$10.10/hr. enacted in February 2009 was enjoined by the U.S. District Court on June 26, 2009. The case is on appeal.

MANAGED RISK MEDICAL INSURANCE BOARD (MRMIB)
HEALTHY FAMILIES - \$178.6 million GF Savings

- The MRMIB administers the Healthy Families program, the Access for Infants and Mothers (AIM) program and the Major Risk Medical Insurance Program (MRMIP) as well as the County Health Initiative Matching Fund program. The MRMIB is appointed by the Governor and the Legislature.
- As of June 2009, the Healthy Families Program provided low cost health, dental and vision coverage to 919,542 children up to age 19 in working families with incomes between 100 percent and 250 percent of the federal poverty level (approx. \$17, 616 to \$44,004 for a family of three).
- On June 29, 2009, the MRMIB determined that “sufficient funds are not available to cover the estimated costs of the Healthy Families program expenditures for the 2009-10 fiscal year.” The Board established a statewide Healthy Families waiting list that became effective July 17, 2009.
- As of July 28, 2009, a total of 33,146 children have been placed on the waiting list.

Changes in the 2009-10 Budget

- Funding for the Healthy Families program was reduced in the Amended Budget adopted in July by \$178.6 million GF (\$128.6 million in reductions plus a veto of \$50 million).
- Both the \$128 million reduction and the additional \$50 million veto will require that savings be achieved by disenrolling significant numbers of children from the Healthy Families absent a change in the funding situation.
- The Board will meet in August 2009 to determine and authorize next steps. MRMIB staff have indicated that it is likely that disenrollments in the tens of thousands of children will be needed beginning as soon as October, with notifications in August leading to tens of thousands of children continuing to be removed from the program on a monthly basis through June 2010 in order to achieve savings during fiscal year 2009-10.
- The Health and Human Services Agency is currently working with the MRMIB and the First 5 California Children and Families Commission and other parties in an attempt to receive additional funds to help support the program.
- The Board will make the final decisions about how to achieve budget savings.

MENTAL HEALTH SERVICES -- \$167.4 million GF Savings

- California provides mental health services in state-run mental hospitals and community mental health programs.
- General Fund resources are devoted primarily to state mental hospitals, which serve judicially committed individuals, including sexually violent predators (SVPs). The Department of Mental Health also oversees the Forensic Conditional Release Program (CONREP) which requires monitoring of individuals released by the courts to the community. Monitoring ensures individuals comply with all “court-ordered conditions of release.”
- California provides support for local mental health services through the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program, which aims to ameliorate diagnosed mental illnesses among low-income children up to age 21.
- California also supports local mental health services for low-income Californians through Medi-Cal managed care programs.

Changes in the 2009-10 Budget

- General Fund savings of \$167.4 million in fiscal year 2009-10 are achieved by:
 - Managed Care (\$64.0 million savings) – eliminating state support in the Mental Health Managed Care program for services other than federally reimbursed services.
 - EPSDT (\$43.8 million savings) – reducing EPSDT program funding to recognize county funding of programs developed as part of the community and outreach utilizing Proposition 63 dollars (\$28 million savings) and reducing EPSDT for prior year claims (\$15.8 million).
 - AB 3632 (\$52.0 million savings) – deferring payments for mandated mental health services to students.
 - Caregiver Resource Centers (\$7.6 million savings) – reducing Caregiver Resource Center funding for information referral and respite services to families and caregivers of cognitively impaired individuals (\$4.1 million veto).
- The budget reflects \$25 million in funding for State Hospitals from Coleman v. Schwarzenegger to provide mental health services and security.
- Revenues from Prop. 63, the Mental Health Services Act (not shown above), are estimated to be \$1.4 billion in fiscal year 2009-10.

CHILD WELFARE SERVICES - \$120.7 million in GF Savings

- California provides General Fund support for county-run child welfare programs, which receive approximately 487,000 referrals for child mistreatment each year. Child welfare specialists at the county level respond to reports of possible abuse or neglect, provide prevention and early intervention services, address safety issues, and facilitate access to a broad range of services for families including food, health care, cash assistance and drug treatment.
- At any given time, approximately 75,000 children are in foster care because they have been removed from their homes due to abuse, neglect or living in at-risk environments. Foster care includes placement with family members, foster family homes, foster family agencies, and foster group homes for those with behavioral or psychological challenges.
- The vast majority of foster care providers are family caregivers who receive an average of \$730 per child per month.

Changes in the 2009-10 Budget

The Amended Budget reduces funding for Child Welfare Services and Foster Care by \$120.7 million in 2009-10 (\$40 million reduction in the budget and \$79.9 million reduction by veto). The reductions include:

- Reducing General Fund support for county Child Welfare Services by \$79.9 million.
- Reducing rates for group homes, foster family agencies and seriously emotional disturbed children by 10 percent (\$26.6 million).
- Reducing the funding available for transitional housing services to emancipating foster youth (\$5 million).
- Reducing funding available to maintain the case management and reporting information technology system used by county social workers (\$4 million)
- Reducing funding for health oversight, case planning and relative search and engagement activities (\$4.2 million) including \$780,000 state operations costs.
- Eliminating automatic increases in financial support available to families adopting a child with special needs (\$900,000). (Prior to this, monthly Adoption Assistance Program grants automatically increased with the age of the child).

ALCOHOL AND DRUG TREATMENT - \$98.8 Million GF Savings

- The Department of Alcohol and Drug Programs (ADP) allocates federal and state substance abuse treatment funding to California's counties to provide direct treatment services.
- The State's General Fund has provided support for the Substance Abuse and Crime Prevention Act of 2000 (SACPA) or Proposition 36, the Substance Abuse Offender Treatment Program (OTP), Drug Court Programs, Drug Medi-Cal services, and other drug treatment services.
- Proposition 36 was approved by voters on November 7, 2000, to provide drug treatment as an alternative to jail time for nonviolent drug offenders.
- Since the start of Proposition 36, over 240,000 individuals have entered treatment through Proposition 36. Proposition 36 and the OTP serve approximately 48,000 clients a year.

Changes in the 2009-10 Budget

- The Amended Budget eliminates funding for the Substance Abuse and Crime Prevention Act of 2000 (Proposition 36) (\$90 million General Fund) and makes a 10 percent reduction in Drug Medi-Cal provider reimbursement rates (\$8.8 million General Fund) for total savings of \$98.8 million General Fund.
- Under Proposition 36, the state was required to provide funding for the first five years of the initiative. The state provided that funding and continued it past the five year deadline for each of the last three years, but the need to achieve savings require that resources from the General Fund be removed this year.
- The budget includes a one-time augmentation to provide substance abuse treatment for nonviolent drug offenders. The state will direct \$45 million in one-time federal funding to offender treatment programs from the Edward Byrne Memorial Justice Assistance Grant Program, which was bolstered this year by federal stimulus funds.

HIV/AIDS PROGRAMS - \$82.1 million GF Savings

- California provides support to Californians living with and affected by HIV and AIDS through its education, prevention, care, treatment, support, surveillance and research programs.
- Income-eligible adults in California who are living with HIV/AIDS receive access to life-sustaining medications through the AIDS Drug Assistance Program (ADAP). ADAP provides timely drug treatments to increase the duration and quality of life for people with HIV/AIDS.
- ADAP currently serves approximately 34,256 Californians with a Federal Adjusted Gross Income of less than \$50,000, who lack prescription drug coverage, and are not eligible for Medi-Cal. A monthly co-payment is required of participant with gross incomes between \$41,600 (400 percent of the federal poverty level) and \$50,000 (500 percent of federal poverty level). The monthly co-payment is based on the cost of the client's drugs and the client's annual state income tax liability.

Changes in the 2009-10 Budget

The Amended Budget for 2009-10 reduces \$82.1 million from the Office of AIDS (\$30 million GF reduction in the budget and \$52.1 million by veto).

- \$25.5 million was eliminated from the ADAP. ADAP will continue to receive \$70.8 million in state support, as well as resources from federal funds as well as manufacturer rebates. ADAP, however, will remain unchanged as the general fund reduction will be backfilled with Special Funds, and the state will continue to meet the federal maintenance-of-effort requirement for receipt of Ryan White CARE Act funds.
- Funding for HIV/AIDS surveillance is reduced by \$1 million, leaving \$7.651 million in state general fund in addition to federal funds.
- State funding for HIV/AIDS education, prevention and counseling and testing programs is eliminated. In FY 2008-09, \$41.8 million was allocated in state and federal funds. With the proposed reduction, approximately \$8.9 million remains in federal funding.
- Elimination of funding for care and support programs for people living with HIV infection, including approximately 50 percent of the total funding for early intervention (primary medical care and transmission prevention counseling) and home and community based care (medical case management) programs. The reductions in these areas are \$13.78 million. Approximately \$12.4 million remain in federal funding to support these types of program.

VETOES TO CHHS PROGRAMS IN THE AMENDED BUDGET FOR 2009-10

The Amended Budget for 2009-10 includes vetoes of funding for 13 CHHS programs amounting to \$393.9 million in GF savings, including:

	(Dollars in Thousands)
Child Welfare Services	79,956 (see page 25)
Medi-Cal County Administration	60,569 (see page 9)
AIDS Prevention & Treatment	52,133 (see page 27)
Healthy Families	50,000 (see page 23)
Developmental Services (Early Start programs serving 0-5)	50,000 (see page 18)
IHSS service reductions	28,900 (see page 19)
Community Clinic Grants	25,000

- The Department of Health Care Services provides grants to Primary Care, Indian Health, Rural Health Services Development and Seasonal/Agricultural/Migratory Worker program community clinics to improve the quality of health care and to expand access to primary and preventive health care to medically underserved areas and populations. Beneficiaries are those persons at or below 200% of the federal poverty level who do not have any third-party health or dental coverage. The budget reduction of \$10 million in special funds, as well as a veto of \$25 million, will affect 288 clinic corporations providing services at 768 clinic sites.

Domestic Violence Program	16,337
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- The Department of Public Health's Domestic Violence Program provides emergency and other services to domestic violence victims and their children. The services, which are provided through 94 domestic violence shelter/centers, include emergency shelter, transitional housing, legal advocacy, assisting with temporary restraining orders, counseling, and other support services. The veto of \$16.3 million on top of a \$3.7 million budget reduction will result in the closure of domestic violence agencies in rural communities, where up to 80% of resources come from the state. Other counties will experience a significant loss of funding as well.

Maternal, Child and Adolescent Health Programs	12,003
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- Maternal, Child and Adolescent Health general fund support will be eliminated to all 61 local health jurisdictions (58 county and 3 city health departments). The funds support programs to improve the health of mothers, infants, children, adolescents, and their

families. The elimination of state funding will result in a reduction in MCAH services, which also receive federal funding.

- The Adolescent Family Life Program (AFLP) is a case management program that operates in 37 counties and serves approximately 17,000 pregnant and parenting teens annually. AFLP goals are to promote healthy birth outcomes for pregnant teens, completion of high school, the health and well-being of pregnant, parenting teens, and of their infants to prevent premature births, low birth weight and associated problems and future unintended pregnancies. AFLP is a voluntary program for pregnant or parenting teens. The veto, on top of budget reductions, means the elimination of all General Fund support for this program and the elimination of services for approximately 9,500 out of 17,000 teens.
- The Black Infant Health (BIH) program was established to reduce high infant mortality rates among African Americans in California. The BIH program provides health education, health promotion, social support and service coordination to pregnant and parenting African American adult women in the 17 local health jurisdictions where over 90% of all African American live births in California occur. BIH serves approximately 13,200 clients annually. The funding reduction means the number of clients served each year will drop from 13,200 to approximately 7,000.

IHSS Public Authority Administration 8,655 (see page 16)

Mental Health -Caregiver Resource Centers 4,082 (see page 21)

Aging – Linkages Program 3,958

- The Linkages program provides care management services to adults aged 18 and older with functional impairments who are at risk for institutionalization. The program is considered a "gap filler" program that assists persons who are not eligible for Medi-Cal and do not have the resources to pay for supportive services or care management. In 2007-08, the program served 5,529 individuals with an average per client cost of \$1,142. The budget reductions of \$2.5 million and veto of \$3.9 million eliminate all General Fund support for this program.

Aging – Community Based Services Programs 2,308

- The Community Based Services Programs include the Brown Bag, Respite Purchase of Service, Senior Companion, and Alzheimer's Day Care Resource Center Programs. The budget reductions of \$1.7 million and veto of \$2.3 million eliminate all state support for the following programs:
 - **Brown Bag:** The Brown Bag Program is a state-funded program providing surplus and donated food products (fruits, vegetables, and food staples) to low income individuals 60 years of age and older. Approximately 25 providers provide service at 600 brown bag sites. In 2007-08 there were over 27,000 seniors participating in the program with approximately 12.4 million pounds of food distributed.

- **Respite Purchase of Service:** The Respite Purchase of Service Program provides limited funding for the purchase of temporary services for frail older adults and adults with functional impairments. These respite services temporarily relieve family caregivers of their caregiving duties. In 2007-08 the program assisted 695 families and provided 17,630 hours of respite services.
- **Senior Companion:** The Senior Companion Program is a dual purpose program providing 1) services to seniors with physical, emotional or mental health limitations, many of whom are homebound or considered at-risk for placement in a nursing home, and 2) a tax exempt stipend for \$2.65 per hour to low-income senior volunteers to provide peer support to at least five frail senior clients in their local communities. Volunteers serve frail client and clients with disabilities and/or terminal illnesses and offer respite for caregivers. The program provides services for approximately 290 frail seniors and employs 58 full-time volunteers.
- **Alzheimer's Day Care Resource Center:** The Alzheimer's Day Care Resource Center Program provides day care for persons with Alzheimer's disease and other related dementias. Persons with dementia participate in day programs specifically designed to enhance cognitive impairments and improve their quality of life by eliminating isolation and minimizing behaviors associated with Alzheimer's disease. Approximately 3,200 persons are served annually through 57 statewide centers.