

ASSEMBLY BILL AB 324 & AJR 6

ELDER ECONOMIC DIGNITY ACT OF 2009

AS AMENDED: JUNE 1, 2009

AB 324 & AJR 6 SUMMARY

This legislation would use the Elder Economic Security Standard™ Index (Elder Index) to provide a better measure of poverty to plan for the needs of California's growing aging population. The Elder Index is a new tool that accurately quantifies the annual cost of meeting *basic* needs for retired, older adults in each California county. AB 324 would:

- Require California Area Agencies on Aging (AAA) to use the Elder Index to determine poverty in preparing their needs assessment and in developing local area plans. (no cost)
- Require the California Department of Aging (CDA) to include a compilation of this local Elder Index data in its State area plan. (no cost)
- Require the CDA to annually update the Elder Index for each county of California and annually calculate the number and demographic profile of seniors living below the updated Elder Index. (less than \$48,000/year)
- Require the intake forms for the statewide Linkages case management program to use the Elder Index to identify seniors in economic need and then refer them to the appropriate resources and programs. (no cost)
- A separate Resolution (AJR 6) urges Congress and the President to modernize the Federal Poverty Guidelines to reflect the actual costs to survive in each state and county of the United States. (no cost)

PROBLEM

Legislators struggle to create effective policies to promote economic security and eradicate poverty because they do not have an accurate picture of what it really takes to make ends meet in today's economy. Policymakers typically measure poverty and determine benefits eligibility using the Federal Poverty Line (FPL), which is a 1963 measure based *solely* on the cost of a bare-bones food diet. Although

PROBLEM CONTINUED

it is updated annually using the Consumer Price Index (CPI), the 2008 FPL is the same dollar amount—\$10,400 for an individual living alone—whether one lives in a high cost market like urban L.A. or a low cost one like rural Arkansas. As a result, the FPL *vastly* understates the real number of people struggling to make ends meet—leaving policymakers with unreliable data and poor planning tools. Many seniors fall through the cracks of this faulty system, with too much income to qualify for support, but not enough to cover their most basic human needs.

SOLUTION

The Elder Index sets a new benchmark of income adequacy for older adults. It provides the true cost of meeting basic needs and maintaining independence in the community. By institutionalizing this tool, AB 324 will empower policymakers to allocate limited resources more effectively, and to prepare for the needs of seniors and aging baby boomers. This bill would also enable direct service providers to identify seniors struggling to cover their costs, and refer them to appropriate resources. By updating the Elder Index annually, AB 324 will help adults of *any* age make informed decisions about *when* and *where* to retire, how much to save now, and whether to continue working even after they formally "retire."

RESEARCH

The Elder Index for California reveals that the Federal Poverty Line (FPL) covers less than half of the basic costs experienced by adults age 65 and older in the state. The Elder Index sets a new benchmark of income adequacy for policy and program development to help elders meet their basic needs and maintain independence.

RESEARCH CONTINUED

- Current economic needs of elders in California:
- California leads the nation with the most elders

- living below the Federal Poverty Line (300,000).
- The majority of people living below the Federal Poverty Line are women and people of color.
- 864,000 California elders do not have enough income to cover their most basic needs (e.g. housing, healthcare, food, transportation), as measured by the Elder Index.
- 677,000 California elders living alone or with a partner struggle to survive on incomes above the FPL but below the Elder Index. Public programs (e.g., Food Stamps, Medi-Cal, Medicare subsidy programs) are failing to help these seniors because eligibility for these programs is based on the FPL.
- The U.S. Census Bureau projects that the population of people age 65 and over is expected to more than double by 2030, both in California and nationally.
- California already has the largest percentage of adults age 65 or older in the country (3.5 million).
- Without an accurate, regional picture of economic needs, local Area Agencies on Aging cannot adequately plan for the needs of this growing population. As a result, they end up using inconsistent alternatives to assess poverty in their communities (e.g. 175% of FPL, 200% FPL, 100% of Area Median Income, 80% of median housing prices, etc.). This lack of uniformity is not only inefficient, but it is also more costly and less effective.

PRIOR OR SIMILAR LEGISLATION

SJR 15 (Alarcón): Requests the President and Congress to begin a process to better calculate the Federal Poverty Guidelines and to use existing models to calculate poverty including geographic costs of living. (2003-2004 Session, Bill Chaptered)

AB 2521 (Portantino): declares that the FPL is known to be outdated, covering less than half of the basic costs experienced by adults age 65 and older. (2007-2008 Session)

City of Los Angeles City Council, Council File 08-1952: Instructs LA City departments, including the Chief Legislative Analyst, to report on developing a self-sufficiency index and changes to eligibility under a new index; it also requests that the City Attorney draft an ordinance to implement a Self-Sufficiency Standard in Los Angeles. (2008)

City and County of San Francisco, Resolution 660-04: Adopts the California Family Economic Self-Sufficiency Standard as a goal to achieve, through legislation, budgetary planning decisions, and executive policy directives. (2004)

AB 56 (MA): Calls for the creation of a "Secretary to End Poverty." However the role would be limited to a review of existing anti-poverty programs, rather than

the reworking of poverty definitions. (2007-2008 Session)

Other significant efforts to reform the Federal Poverty Line

July 13, 2008: New York City Mayor Michael Bloomberg announced a new alternative to the Federal Poverty Guidelines. The new poverty measure was developed by the City's Center for Economic Opportunity based on recommendations to Congress from the National Academy of Sciences. New York City is the first local government in the nation to reformulate and modernize the 40-year-old poverty measure.

September 18, 2008: U.S. Congressman Jim McDermott (D-WA), Chairman of the House Subcommittee on Income Security and Family Support of the Committee on Ways and Means, introduced H.R. 6941, *Measuring American Poverty Act of 2008*, to provide an improved and updated method for assessing poverty in the U.S. Senator Dodd (D-CT) introduced a Senate version, S. 3636, on September 26, 2008; and President Obama (then-Presidential Candidate) issued a press statement in support of a modernized measure.

SPONSORS/SUPPORTERS

Insight Center for Community Economic Development (Sponsor)
 Women's Foundation of California (Sponsor)
 Catholic Charities of California (Co-sponsor)
 National Association of Social Workers, CA Chapter (Co-sponsor)
 California Senior Legislature (Co-sponsor)

See attachment for a complete list of the numerous supporters.

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WITHIN THE DEVELOPMENTALLY
DISABLED COMMUNITY

Assemblyman Jim Beall, Jr.'s 2009-2010 Legislation

AB 12—Foster Care Conformity; allows the state to obtain available federal funding to extend transitional support to qualifying foster youth until age 21 and also provide financial aid to relatives of foster care youth who take the children into their homes.

AB 112—Flexibility to Spend on Cities; clarifies statutes to let the Santa Clara Valley Transportation Authority allocate fund for the repair of all types of transportation facilities, not just transit facilities.

AB 115—Low-Wage Worker Health Care; makes changes to the Adult Health Coverage Expansion Program to expand health care coverage to dependents of eligible low-income employees of small businesses in Santa Clara County.

AB 116—Santa Clara Valley Transportation Authority Procurement Thresholds; raises the competitive bidding requirement to \$100,000 from \$25,000 to be consistent with federal guidelines.

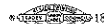
AB 140—Alternative Dispute Resolution; develops procedures and sets timelines to resolve disputes between a regional center and a provider agency over the provision or payment of services for individualized family service plans or individual program plans for children under 6.

AB 216—Dispute Resolution Guidelines; provides for a mediation process and binding arbitration process for claim disputes over \$100,000 between a contractor and a local agency, charter city, or charter county that does not have an alternative dispute process.

AB 217—Screening and Brief Intervention; establishes and facilitates an alcohol and drug screening and brief intervention services program for Medi-Cal beneficiaries.

AB 244—Mental Health Parity; requires all health care service plan contracts and health insurance policies to include the diagnosis and treatment of a person with mental illness equitable to coverage provided for other medical illnesses.

AB 287—Developmental Disabilities Employment Policy (SB 1270); promotes gainful employment opportunities for people with developmental disabilities, setting the stage for future legislative initiatives to expand employment opportunities for people with developmental disabilities.



AB 302—Regional Center Collection and Posting of Data; requires the state to analyze data regarding purchase of services funds by regional centers for linguistically and ethnically diverse consumers.

AB 303—Hospital Seismic Safety Financing; allows specified hospitals to receive federal funds to make seismic safety facility upgrades.

AB 324—Elder Economic Security Standard Index; modernizes the income standard index used by state and local jurisdictions for planning the needs of California's growing aging population in order to provide a more accurate measure of poverty.

AB 325—Earned Income Tax Credit Awareness; designates the Department of Community Services and Development to raise public awareness among eligible low- and moderate-income families who fail to apply for the Earned Income Tax Credit on their tax returns. An estimated \$10 billion in unclaimed deductions are lost annually.

AB 407—Requires Continuing Care Retirement Communities to give at least 120 days advance notice of its closure and to adopt a relocation plan for clients to ensure that the closure is orderly and all residents are adequately provided compensation or alternative arrangements.

AB 417—Buprenorphine; adds buprenorphine services to the list of Drug Medi-Cal services, giving Narcotic Treatment Programs one more important and effective option for treating substance abuse.

AB 421—Special Education Placements; authorizes reimbursement payments to be made to County Departments of Mental Health for the placement of seriously emotionally disturbed children in out-of-state, privately owned residential facilities that meet applicable licensing requirements and other specific conditions.

AB 438—Developmental Disabilities Forensics; Requires the Department of Developmental Disabilities and the state prison system to share information about inmates with developmental disabilities who are to be released from prison.

AB 440—The College Student Success Act; authorizes community college districts to award an Associates of Arts Degree in Transfer Studies to students who meet the minimum requirements to transfer to a California State University or University of California campus.

AB 612—Family Court Non-Scientific Theories; prohibits a court from considering or receiving into evidence a report, assessment, evaluation, or investigation containing a nonscientific theory in making a determination regarding child custody or visitation with a child.

AB 613—Treatment Authorization Requests; California state law requires Medi-Cal providers to obtain authorization prior to specific medical procedures and services to ensure reimbursement is approved. This overly burdensome authorization process is called the Treatment Authorization Process (TAR). AB 613 would require the Department of Health Care Services to simplify the TAR process, increase efficiency and reduce the number of unnecessary billing requests to promote physician participation in the Medi-Cal program.

AB 1019—Alcohol Fee; imposes a ten cents per drink fee on all alcoholic beverages and proceeds would be used in the prevention of alcohol-related problems.

AB 1057—Food Stamp Modernization Act; eliminates unnecessary barriers for families applying for Food Stamps, by lengthening recipient reporting periods from quarterly to semi-annual and, in certain cases, fingerprinting.

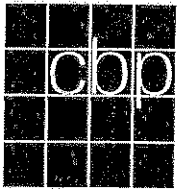
AB 1058—CalWORKS Eligibility; amends personal asset limits for working families with very low incomes who are eligible for CalWORKS benefits.

AB 1153—Emergency Air Medical Transportation Act; levies an additional penalty of \$3 on for all offenses involving a vehicle violation, except certain parking offenses and would require each county board of supervisors to establish an emergency air medical transportation act fund into which the penalty collected would be deposited.

AB 1525—Election Recounts; permits a voter to request a recount in an election conducted in more than one county, but not statewide, within 5 days beginning on the 29th day after the election.

AB 706—Foster Care; clarifies the scheduling of review hearings for family reunification purposes in juvenile courts.

AJR 6—Elder Economic Security Index Resolution; urges the federal government to use the Elder Economic Security Index to update antiquated federal poverty measures and guidelines.



Updated June 8, 2009

THE GOVERNOR'S MAY REVISION WOULD ELIMINATE IHSS SERVICES FOR MORE THAN 400,000 LOW-INCOME SENIORS AND PEOPLE WITH DISABILITIES

The In-Home Supportive Services (IHSS) Program provides services to low-income seniors and people with disabilities who live in their own homes to help prevent more costly out-of-home care. Governor Schwarzenegger proposes to eliminate services for IHSS recipients who have less severe impairments – a group that comprises nearly 90 percent of the caseload – effective October 1, 2009. This change would terminate IHSS services for more than 400,000 vulnerable Californians – along with the jobs of hundreds of thousands of IHSS providers – thereby reducing total IHSS Program funding by \$2.4 billion through June 2010.

**Estimated Impact of Governor's Proposal To Limit the In-Home Supportive Services (IHSS)
Program to the Most Severely Impaired**

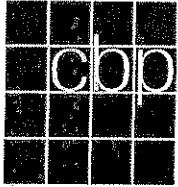
County	Number of Recipients Affected	Loss of Funds	County	Number of Recipients Affected	Loss of Funds
Alameda	16,580	\$129,525,000	Orange	15,080	\$71,214,000
Alpine	10	\$94,000	Placer	1,650	\$12,575,000
Amador	170	\$819,000	Plumas	240	\$1,036,000
Butte	3,150	\$20,607,000	Riverside	15,100	\$100,102,000
Calaveras	270	\$1,720,000	Sacramento	19,230	\$156,601,000
Colusa	140	\$521,000	San Benito	370	\$2,803,000
Contra Costa	7,250	\$52,030,000	San Bernardino	17,790	\$110,806,000
Del Norte	300	\$2,223,000	San Diego	22,920	\$127,342,000
El Dorado	740	\$5,255,000	San Francisco	18,460	\$133,870,000
Fresno	11,240	\$79,156,000	San Joaquin	6,400	\$36,258,000
Glenn	360	\$2,304,000	San Luis Obispo	1,540	\$10,621,000
Humboldt	1,600	\$8,515,000	San Mateo	2,720	\$26,079,000
Imperial	4,930	\$21,665,000	Santa Barbara	2,400	\$15,027,000
Inyo	100	\$503,000	Santa Clara	15,050	\$102,618,000
Kern	4,370	\$24,382,000	Santa Cruz	2,090	\$15,671,000
Kings	1,570	\$8,350,000	Shasta	2,440	\$12,509,000
Lake	1,450	\$11,172,000	Sierra	30	\$123,000
Lassen	250	\$1,372,000	Siskiyou	450	\$1,975,000
Los Angeles	171,220	\$916,126,000	Solano	2,710	\$23,429,000
Madera	1,500	\$7,348,000	Sonoma	4,340	\$36,137,000
Marin	1,480	\$12,133,000	Stanislaus	5,620	\$27,210,000
Mariposa	180	\$1,000,000	Sutter	750	\$4,206,000
Mendocino	1,310	\$8,224,000	Tehama	940	\$4,563,000
Merced	2,790	\$11,166,000	Trinity	130	\$624,000

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County	Number of Recipients Affected	Loss of Funds	County	Number of Recipients Affected	Loss of Funds
Madoc	100	\$604,000	Tulare	2,540	\$1,7525,000
Mono	20	\$239,000	Tuolumne	340	\$946,000
Monterey	3,130	\$21,148,000	Ventura	3,250	\$19,844,000
Napa	750	\$6,109,000	Yolo	1,630	\$11,509,000
Nevada	500	\$8,858,000	Yuba	680	\$4,175,000
			Total	404,420	\$2,439,049,000

Note: Total number of recipients affected is based on the projected 2009-10 average monthly IHSS caseload (462,198) multiplied by the state's estimate of the percentage of IHSS recipients (87.5 percent) who would be affected by the Governor's proposal to eliminate IHSS services for individuals with Functional Index (FI) scores below 4.0 beginning on October 1, 2009. Total loss of funds is based on a CBP analysis of Department of Finance estimates as of June 1, 2009 and includes the estimated savings associated with the Governor's proposal to eliminate a state subsidy for certain IHSS recipients with FI scores below 4.0. County estimates are based on counties' share of the IHSS caseload and expenditures in December 2008. Estimates of affected recipients are rounded to the nearest 10 and estimates of loss of funds are rounded to the nearest \$1,000. County estimates may not sum to totals due to rounding.

Source: CBP analysis of Department of Social Services data



June 4, 2009

THE GOVERNOR'S PROPOSED CUTS TO THE SSI/SSP PROGRAM AND CAPI WOULD AFFECT 1.3 MILLION LOW-INCOME CALIFORNIANS

Supplemental Security Income/State Supplementary Payment (SSI/SSP) grants help low-income seniors and people with disabilities meet basic living expenses. Governor Schwarzenegger proposes to reduce SSI/SSP grants to the minimum level required by federal law effective October 1, 2009, which would eliminate \$260.3 million in payments through June 2010 to 1.3 million vulnerable Californians – including approximately 18,000 SSI/SSP recipients who would become ineligible and lose their entire grant. This grant cut would be in addition to a reduction that took effect on May 1, 2009, and a second SSI/SSP grant cut scheduled for July 1, 2009, both of which were included in the February 2009 budget agreement. In addition, the Governor proposes to eliminate the Cash Assistance Program for Immigrants (CAPI), which provides state-funded cash assistance to elderly and/or disabled legal immigrants who are not eligible for SSI/SSP payments due to their immigration status. Eliminating CAPI would generate state savings of \$85.8 million between October 2009 and June 2010 and affect an estimated 12,800 Californians.

Estimated Impact of Governor's May Revision Proposals To Reduce SSI/SSP Grants to the Federal Minimum and Eliminate the Cash Assistance Program for Immigrants (CAPI)					
County	Number of Recipients Affected	Loss of Funds	County	Number of Recipients Affected	Loss of Funds
Alameda	55,100	\$20,276,000	Orange	71,570	\$17,566,000
Alpine	40	\$8,000	Placer	5,340	\$1,218,000
Amador	680	\$121,000	Plumas	770	\$137,000
Butte	11,560	\$2,308,000	Riverside	56,450	\$11,607,000
Calaveras	1,110	\$203,000	Sacramento	63,790	\$18,829,000
Colusa	630	\$100,000	San Benito	970	\$267,000
Contra Costa	25,840	\$7,212,000	San Bernardino	68,980	\$14,267,000
Del Norte	2,140	\$460,000	San Diego	85,510	\$18,528,000
El Dorado	3,090	\$627,000	San Francisco	48,860	\$15,862,000
Fresno	43,020	\$9,886,000	San Joaquin	29,490	\$6,568,000
Glenn	1,260	\$226,000	San Luis Obispo	5,510	\$1,308,000
Humboldt	7,390	\$1,566,000	San Mateo	14,040	\$4,905,000
Imperial	10,930	\$1,931,000	Santa Barbara	10,270	\$2,022,000
Inyo	490	\$87,000	Santa Clara	49,360	\$15,785,000
Kern	34,060	\$6,800,000	Santa Cruz	6,100	\$1,132,000
Kings	5,020	\$978,000	Shasta	10,030	\$1,992,000
Lake	3,920	\$744,000	Sierra	100	\$19,000
Lassen	1,080	\$207,000	Siskiyou	2,740	\$521,000
Los Angeles	425,310	\$127,797,000	Solano	12,270	\$3,437,000
Madera	5,050	\$956,000	Sonoma	10,200	\$2,307,000
Marin	3,980	\$969,000	Stanislaus	21,700	\$5,456,000

County	Number of Recipients Affected	Loss of Funds	County	Number of Recipients Affected	Loss of Funds
Mariposa	630	\$120,000	Sutter	3,890	\$791,000
Mendocino	4,220	\$800,000	Tehama	3,510	\$702,000
Merced	11,330	\$2,446,000	Trinity	820	\$154,000
Modoc	500	\$94,000	Tulare	19,710	\$3,909,000
Mono	100	\$30,000	Tuolumne	1,810	\$338,000
Monterey	9,710	\$1,847,000	Vandericia	17,120	\$4,194,000
Napa	2,470	\$493,000	Yolo	5,680	\$1,620,000
Nevada	2,010	\$391,000	Yuba	4,170	\$926,000
			Total	1,303,310	\$346,059,000

Note: Total number of recipients affected reflects the 2009-10 average monthly SSI/SSP and CAPI caseloads as projected by the Department of Social Services (DSS). Total loss of funds reflects the aggregate grant loss to SSI/SSP and CAPI recipients in 2009-10, as estimated by the DSS, under the Governor's proposals to reduce SSI/SSP grants to the minimum level required by federal law and to eliminate CAPI, both of which would take effect on October 1, 2009. County estimates of affected recipients include both SSI/SSP recipients and, where applicable, CAPI recipients. SSI/SSP county estimates are based on each county's share of the SSI/SSP caseload and payments in December 2008, and CAPI county estimates are based on each county's share of the three-month average statewide CAPI caseload for January, February, and March 2009, the most recent months for which these data are available. County estimates of affected recipients are rounded to the nearest 10, and county estimates of loss of funds are rounded to the nearest 1,000. County estimates may not sum to totals due to rounding.

Source: CBP analysis of Department of Social Services and US Social Security Administration data