

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: April 10, 2024

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tso

Chief Legislative Analyst

yes for SMT

Assignment No.

24-03-0148

SUBJECT: Resolution to OPPOSE Senate Bill 1249 (Roth)

CLA RECOMMENDATION: Adopt Resolution to include in the City's 2023-2024 State Legislative Program, OPPOSITION to Senate Bill (SB) 1249 (Roth) to provide counties the option to assume control of local Area Agencies on Aging (AAA).

SUMMARY

On February 15, 2024, Senator Roth introduced SB 1249, which would update the Mello-Granlund Older Californians Act to require that counties be given the option to petition the California Department of Aging (CDA) to assume control of local AAAs beginning January 1, 2025; require that counties notify the CDA of their intent to assume control of AAAs by June 30, 2025; and require the CDA to develop and submit regulations to the Office of Administrative Law to effectuate changes in AAA designations.

BACKGROUND

The Mello-Granlund Older Californians Act was passed in 1980 to establish the CDA as the agency responsible for administering the Older Americans Act (OAA) within California and define the duties and functions of the CDA, as well as the state's 33 AAAs. SB 1249 seeks to reform provisions of the Mello-Granlund Older Californians Act related to various functions of the AAAs to eliminate disparities and improve access to services and support for older adults, people with disabilities, and caregivers. These reforms respond to Governor Newsom's 2019 Executive Order No. N-14-19, which called for the creation of a Master Plan for Aging to prepare local communities for a major demographic change in 2030, when it is estimated that 10.8 million Californians, or 25 percent of the state's population will be at least 60 years old.

SB 1249 intends to reform AAAs in respect to their geography and demographics; governance, including AAA designations and planning service area boundaries; programs and services; performance measures; funding sources and capacities; and public awareness. SB 1249 could potentially expand the number of AAAs across the state from 33 to 58. Once new AAA designations are confirmed by the Office of Administrative Law, SB 1249 states that the CDA will develop core programs and services to be provided by all AAAs; update the intrastate funding formula that will determine funding for each AAA; develop standardized objectives and evaluations for AAA programs and services; and create a statewide engagement plan for outreach to underrepresented and underserved populations.

Approval of the bill would affect local control over the use of federal and state OAA funding for AAAs that are currently not managed by counties. While Los Angeles is the only city that is designated an AAA in the state, there are a number of AAAs that are either managed by non-profit organizations or are

conglomerations of smaller counties, who do not have adequate resources to conduct AAA administrative duties alone. The counties of Santa Cruz and San Benito have a long-standing joint powers approach for their AAA designation and their AAA Advisory Council voted unanimously to oppose the bill and issued an opposition letter (Attachment B), which outlines various negative impacts that the bill will have on their AAA, including the loss of control of federal and state funding, inability for their counties to conduct administrative AAA duties alone, the duplication of work, potential statewide service priorities that may not reflect local needs, possible lengthy and expensive litigation, and a lack of stakeholder input in the process of designating new AAAs.

SB 1249 would also undermine local Home Rule authority to provide older adult services and programs. The 1973 Older Americans Act authorized states to designate non-profit or public agencies as AAAs to provide programs and services within defined planning service areas. In 1975, the City was designated an AAA. Subsequent to the passing of the 1980 Older Californians Act, the City passed Los Angeles Administrative Code Sections 22.570 - 571 in 1983 to establish the Department of Aging and authorize the Department to assume responsibility for administering programs, providing services, and creating opportunities for senior citizens. According to Home Rule, the City has authority to administer local older adult programs and services. SB 1249 infringes upon that authority by providing the County the option to assume the City's AAA designation without cause nor opportunity to appeal the action.

In Fiscal Year 2023-24, the Department of Aging's budget was \$16.6 million, including \$12.6 million from the General Fund. However, federal OAA funding and other federal grants and one-time awards are not reflected in the Department's annual budget. According to the Department, if the County assumes control of the City's AAA designation, the City would lose at a minimum \$34 million annually. Further information and analysis by the Department, in coordination with the City Administrative Officer, would help determine the financial impact. This loss of funding would affect the City's ability to support the Department of Aging's 49 full-time, regular staff; the portfolio of programs the Department provides to older adults; and the City's responsiveness to older adult needs.

Los Angeles County, who has its own AAA designation, established the Aging and Disabilities (AD) Department in April 2021, in response to a Motion that was introduced by Supervisor Janice Hahn and approved by the Board of Supervisors. The AD Department consolidates programs that were previously supported by the now-dissolved Los Angeles County Department of Workforce Development, Aging and Community Services and the Los Angeles County Chief Executive Office. The Department has 490 budgeted positions and houses the Commission for Older Adults and the Commission on Disabilities, as well as manages the County's 14 Community and Senior Centers. The Department provides a range of services, including congregate meals, emergency food programs, computer access, adult and youth programming, and educational resources.

Our office contacted both the City Administrative Officer and the Department of Aging for their comments on SB 1249. The City Administrative Officer stated that they would like to provide input when the bill is scheduled in committee. The Department of Aging provided additional background information.

The County of Los Angeles has not yet announced a position on the bill.

DEPARTMENTS NOTIFIED

Department of Aging
City Administrative Officer

BILL STATUS

4/1/24 Passed in Committee on Human Services, re-referred to Committee on
Governmental Organization

2/29/24
2/15/24

Referred to Committees on Human Services and Governmental Organization
Introduced, referred to Committee on Rules


Susan Oh
Analyst

Attachment A: Resolution (Oppose SB 1249)

Attachment B: Area Agency on Aging Advisory Council SB 1249 Opposition Letter

ATTACHMENT A

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state, or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council; and

WHEREAS, in 1973, the Older Americans Act authorized states to designate certain non-profit or public agencies as Area Agencies on Aging (AAA) to provide programs and services to adults ages 60 and older, within defined planning service areas; and

WHEREAS, in 1975, the City was designated as one of 33 AAAs in the State and remains the only city that is designated an AAA in California; and

WHEREAS, AAAs provide key services and develop local programs that serve older adults, adults with disabilities, family caregivers, and residents in long-term care facilities, and are eligible to apply for State and federal grant funds from the California Department of Aging (CDA); and

WHEREAS, the Department of Aging's Fiscal Year 2023-24 budget was \$16.6 million, including \$3.2 million from the CDA for staffing to support older adult programs and services and operate the City's 19 multipurpose senior centers; and

WHEREAS, according to the Department, in its capacity as an AAA, the City also receives Older Americans Act federal funds from the CDA and other grants and one-time awards, totaling approximately \$34 million for senior and family caregiver programs in the City; and

WHEREAS, the Department's programs include health and nutrition services, congregate and non-congregate meal delivery, benefits information and assistance, case management, elder abuse prevention, social and recreational activities, caregiver support, transportation, workforce training, and legal aid, among other services; and

WHEREAS, currently pending before the California Senate is Senate Bill (SB) 1249 (Roth), which would require that counties be given the option to petition the CDA to assume control of local AAAs beginning January 1, 2025; require that counties notify the CDA of their intent to assume control of AAAs by June 30, 2025; and require the CDA to develop and submit regulations to the Office of Administrative Law to effect changes in AAA designations; and

WHEREAS, adoption of SB 1249 would allow the Los Angeles County Aging and Disabilities Department the option to absorb the City's AAA designation and its federal and State funding for older adult services, and potentially impact the City Department's finances, operations, and service delivery; and

WHEREAS, eliminating the City's designation as an AAA would violate the City's Home Rule authority, reduce the City's ability to provide direct services to older adults, and diminish the City's responsiveness to older adult needs in the City;

NOW, THEREFORE, BE IT RESOLVED, that by adoption of this Resolution, the City of Los Angeles hereby includes in its 2023-2024 State Legislative Program, OPPOSITION to Senate Bill 1249 (Roth) to allow the County of Los Angeles to assume control of the City's Area Agency on Aging.

ATTACHMENT B



AREA AGENCY ON AGING
San Benito & Santa Cruz Counties

FOSTER GRANDPARENT/SENIOR COMPANION PROGRAM
Monterey, San Benito, Santa Clara & Santa Cruz Counties

PROJECT SCOUT
Tax Counseling Assistance

AGING & DISABILITY RESOURCE CONNECTION
Navigating the San Benito County Senior & Disability Services Network

March 28, 2024

The Honorable State Senator Richard Roth
1021 O Street, Suite 7510 Sacramento, CA 95814

RE: Opposition to SB 1249

Dear Senator,

The Area Agency on Aging Advisory Council voted unanimously to oppose SB 1249 during our March meeting, and urge your withdrawal of the legislation.

SB 1249 amends the Mello-Granlund Older Californians Act, and has several items of concern leading to our opposition. These include:

- 1) Inviting California Counties to petition to take over non-profit and/or Joint Power Agreement (JPA) Area Agencies on Aging without cause. We consider this especially dire for our Planning and Service Area (Santa Cruz & San Benito Counties), as it enables either county to undermine the long-standing two-county approach and leave their neighboring county with inadequate resources to conduct AAA administrative duties; duties that will duplicate the work currently being performed by our single AAA.
- 2) Providing the California Department of Aging the authority to create statewide service priorities rather than honor the core value of the Older Americans Act (OAA). The OAA recognizes that needs of Santa Cruz & San Benito County seniors is not best served by a one-size-fits-all approach to aging, and one of the absolutely beautiful aspects of the Act is that it allows for local control over the use of federal dollars. The needs and challenges of older adults in rural San Benito County are not the same as in downtown Los Angeles, and vice versa. SB 1249 proposes to severely compromise existing flexibility. Experts around our State and our Country site the local control of federal dollars as one of the most innovative and effective aspects of the OAA.
- 3) SB 1249 references re-opening the Intrastate Funding Formula (IFF) as a means to correct budget shortfalls and allocations, and implies this will be a simple process. The roots of the IFF are that it was initiated as a way to redistribute Older Americans Act funding and resulted in 10+ years of legal and legislative action before it was finally resolved. Bitter fights occurred throughout the state; past partnerships were destroyed; hundreds of thousands of dollars were spent on legal battles, services were neglected, and no new services were provided; no innovation occurred, and more resources were poured into litigation rather than into services. Re-opening this deep

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scar in the aging network will not produce positive results; we must learn from our own history and avoid repeating a past failure.

- 4) Revisiting the alignment of AAA's throughout the state is not something we object to. However, action to do so needs to move forward in a comprehensive manner, with the opportunity to increase partnerships; with input from existing AAAs and the aging services network as well as counties, and with the thorough review & appeals process that is in the Federal Older Americans Act. SB 1249 undermines all of those components; it only considers splitting partnerships apart rather than augmenting or building new ones; it provides no input from the agencies currently leading those partnerships; it bypasses federally proposed processes, and, perhaps most important of all, it will result in duplication of effort and will increase the administrative costs of providing services. At a time when California is facing major budget challenges, we can not afford to waste dollars on duplicating administrative functions.

Thanks for your consideration of our concerns. Feel free to contact us if you would like to discuss.

Respectfully,



Clay Kempf, Executive Director
(831) 688-0400 ext. 115



Sandy Brown, Chair
AAA Advisory Council

CC: *California State Senator John Laird*
California State Assembly Speaker Robert Rivas
California State Assemblymember Gail Pellerin
California State Assemblymember Dawn Addis
Santa Cruz County Board of Supervisors
San Benito County Board of Supervisors
Area Agency on Aging of Santa Cruz & San Benito Counties Advisory Council
Seniors Council Board of Directors