SENIORS COUNCIL BOARD OF DIRECTORS

and

AREA AGENCY ON AGING ADVISORY COUNCIL

Wednesday, December 13, 2023

9:30 a.m. – 12:30 p.m.

Beach Cliff Clubhouse
863 Via Palo Alto, Aptos, CA
(end of Clubhouse Drive; see attached directions)

DRAFT AGENDA

9:30  1. Welcome, Call to Order and Introductions

2. Additions & Deletions to the Agenda

3. Receive Announcements from Board Members and/or Advisory Council members

4. Comments from Members of the Public on Items Not on the Agenda

5. CONSENT AGENDA
   Approve minutes of October 2023 Board Meeting
   Approve minutes of October 2023 AAA Advisory Council Meeting
   Receive & Accept Program Reports
   Miscellaneous Correspondence & Other Items

9:45  6. Opening Comments: Gary Byrne – Why Older Adults Are a Strategic Priority for Our Communities?

   Gary is the Executive Director of the Community Foundation for San Benito County and a key partner in our efforts to implement some of the goals of the Master Plan for Aging.
10:05  7. Actions Underway – Final Allocation of Remaining ARPA Funds

10:10  8. Master Plan for Aging & Solutions Summits – A Brief Review

10:30  9. Panel Discussion: Tackling Challenges and Opportunities About Aging

   **Panelists:**
   
   - Angela Curro - San Benito County Board of Supervisors
   - Sven Stafford - CAO's Office, Santa Cruz County
   - Sandy Brown - Santa Cruz City Councilmember; AAA Advisory Council Chair
   - Phillip Geiger – Chair, San Benito County Aging & Long Term Care Commission

   Moderator: Clay Kempf

11:45  **NETWORKING BREAK**

11:55  10. Committee Reports

   1. Advocacy Committee
   2. Finance Committee
   3. Nominating & Board Development Committee
   4. Executive Committee
   5. Executive Director’s Report

12:30  11. Adjourn – Lunch & Networking

**Next Meetings:**

*AAA Advisory Council:* Wednesday, January 17, 10 a.m. – 12 noon

*Board of Directors:* Thursday, January 18, 10 a.m. – 12 noon
DIRECTIONS TO BEACHCLIFF CLUB HOUSE
863 Via Palo Alto,
Aptos CA

Take Highway 1 to the Rio del Mar Exit in Aptos. Go toward the beach and take the first left turn to Club House Drive. Continue about 1 1/2 miles past where you cross the railroad tracks. Turn right on the second cross street after the railroad crossing, which is Via Palo Alto. You will see the Clubhouse on the right in the middle of the block. It has a large pine tree in front and four large palm trees in the back. You can park anywhere on the street or in the parking area to the side of the Clubhouse around the little island.

For more convenient disabled accessible entrance, email Gwen Yeo for directions at gwenyeo@aol.com.
SENIORS COUNCIL BOARD OF DIRECTORS
(Held by Zoom in accordance with COVID-19 social distancing precautions)
OCTOBER 19, 2023

MINUTES

BOARD MEMBERS PRESENT:
Pam Arnberger (President); Barbara Kaiser (Treasurer); Wayne Norton (Secretary); Gwen Yeo; Antonio Rivas; Mark Trabing; Mickie Solorio Luna; Tami Aviles; Cathy Cress

BOARD MEMBERS EXCUSED:
Jane Schwickerath (Vice-President); Creighton Mendivil; Steven Matzie;

STAFF PRESENT:
Clay Kempf (Executive Director); Britt Bassoni (ADRC Director); Hilary Minugh (Fiscal Specialist); Cathy Colvard (Fiscal Officer); Zach Johnson (Administrative Services Officer); Patty Talbott (AAA Planner); Leanne Oliveira (ADRC Program Coordinator)

OTHERS PRESENT:
Connie Padron (Jovenes de Anatano)

1. Welcome, Call to Order and Introductions
Meeting called to order at 10:02 AM

2. Additions & Deletions to the Agenda
None.

3. Receive Announcements from Board Members
Wayne announced he has a new grandchild – congratulations!

4. Comments from Members of the Public on Items Not on the Agenda
N/A.

5. CONSENT AGENDA
MOTION, RIVAS/KAISER, to approve minutes of September 2023 Board Meeting. PASSED.

6. Committee Reports
Finance Committee – Barbara reported on recent meeting; no hiccups in any programs. Pointed to agency-wide budget on 6.1-1 in packet. Looking at a balanced budget for 2022-23; still some questions
(i.e. closure of Falls Prevention) but healthy on the whole with good reserves. Subcommittee is looking at salary comparison for possible updates.

Barbara thanked the Fiscal staff for their efforts. Pointed to 6.1-4 for proposed budgets for this fiscal year. Wayne asked about local match on 6.1-5: receiving any money from City of Santa Cruz? Need for more community match in general. Barbara replied that these budgets have been prepared conservatively, but agreed we need to improve. Mickie also thanked the Fiscal team for their efforts. Clay noted that City and County of Santa Cruz have combined funding under one contract, to Wayne's question; and that lack of local match has been getting worse. Antonio asked what the approximate request would be. Wayne noted that advocacy has been crucial in getting funds.

**MOTION, KAISER/NORTON, to accept proposed budget as presented. PASSED.**

Advocacy Committee – Clay said that recent efforts have gone into state funding rather than local, time has come to flip that. Increasing contact with elected officials, i.e. issuing proclamations recognizing Ageism Awareness Day. Solutions Summits will bring community together to identify specific needs under 'five bold goals'. Discussed letters written to Live Oak School District (LOSD) by Sup. Manu Koenig and SC Advisory Committee. Also discussed current state of lease negotiations for Live Oak Senior Center (LOSC); eviction still scheduled for Oct. 31 and issue was not discussed at last Board meeting. Cathy asked if Community Bridges had reviewed the legality of proposed leases; Clay replied yes, and review was sent to LOSD Board. Cathy asked about possible responses to eviction if no agreement is reached. Antonio asked about organizing public demonstrations and other highly visible options. Wayne noted that we (Seniors Council) don’t have the leases, they belong to Community Bridges and Senior Network Services – they have to take the lead. Clay suggested that LOSD may be forcing issue now so it isn’t fresh when bond act is being voted on. Gwen asked about previous attendance at meal site; answer was about 40.

**CORE Update** – Clay reported that Santa Cruz County has agreed to hold meeting on Oct. 30, a special feedback session on how CORE affects older adult programs. Goal is for sustainable social safety net rather than special projects and studies. Antonio asked how Watsonville can contribute; Clay said recommit to a fair share, along with Capitola and other areas. Gwen said one rationale for changes was to have new programs rather than old programs; asked if that was an inherent part of CORE process? If so, that assumption needs to be changed. Clay discussed history of funding priority shifts.

**California Senior Legislature Update** – Antonio received some feedback on proposed bills, asked for thought from Board before meeting next week. Mickie raised issue of 'confidential marriages' being set up by family members, potentially with goal of scamming property.

**Executive Committee** – Today is last regular meeting before special joint annual meeting. Planning for panel discussion. Pam called for any thoughts on agenda to be sent to Clay. Gwen reminded Board we have openings (?). Gwen also pointed to attendance chart in packet and increase attendance for some members.

7. **Board Resolution to Change Santa Cruz County Authorized Check Signers**

**MOTION, YEO/RIVAS, per 7-1 to amend Santa Cruz County Bank authorized check signers and remove Darrel Johnson, Lynda Francis, and Robert Campbell. PASSED.**

8. **ARPA Unallocated Funds Recommendation**

Clay said $800,000 total funds awarded, $333,000 remains to be allocated. Main item is emergency disaster preparedness backpacks. Building partnerships with Offices of Emergency Services to do outreach and training to supplement kits. Storage and distribution will be challenges. Calls to Senior Center for Information & Assistance have also increased. Clay discussed other
allocation objectives. Mickie asked how backpack recipients will be chosen; Clay replied that is an ongoing question. Mark asked about branding the kits with Seniors Council to boost visibility. Pam suggested using Solutions Summit as distribution point. **MOTION, YEO/NORTON**, to allocate $30,000 to volunteer center from remaining ARPA funds; to consider the four other items on 8-2 for possible distribution; and to approve funding emergency preparedness backpacks. **PASSED**.

9. **Executive Director’s Report**
   
   **Agency Operations** — see MPA below.
   
   **Master Plan for Aging** — Discussion continue, with efforts in both Counties. SCC governance committee will meet next week and Clay will update on plans for Solutions Summits, needs assessments, etc. Possible creation of new position to help facilitate relationship with San Benito County. Mickie recommended meeting at SBC Epicenter building at some point in the future.
   
   **State & Community Activities** — Clay was on a rural transportation for older adults panel at California Transportation Committee meeting in Hollister; Speaker Rivas (a local) was there to welcome CTC.
   
   **Jovenes de Antano** is interviewing candidates for Executive Director.
   
   **Falls Prevention Program Update** — Still targeting end of November for closure. Britt elaborated on closure proceedings. Gwen asked about Gus’ future, if Medical Guardian has contacted local suppliers, and about changes in rates. Britt said he will be moving on, and that plans are being made to address needs of existing clients.

10. **Program Reports (written)** —
   
   **AAA Program Update** — Area Plan received final approval from CDA; executive summary in packet, including breakdown of all funding. Pam thanked Patty for her work. Patty said the main addition is the funding spreadsheet, but now it is all official. Wayne requested more discussion about Ombudsman program.
   
   **Falls Prevention**
   
   **ADRC**
   
   **Project SCOUT**
   
   **Foster Grandparent/Senior Companion Program**

11. **Miscellaneous Correspondence & Other Items**
   
   Ombudsman is a volunteer opportunity listed in the included article.

12. **Adjourn**
   
   The meeting was adjourned at 11:58 AM

   Next Meeting: December 13, 2023 9:30 AM – 12:30 PM (location TBD)

   Minutes prepared by: Zachary Johnson
AREA AGENCY ON AGING ADVISORY COUNCIL
(Held in person at Aptos office with hybrid Zoom broadcast)

OCTOBER 18, 2023

MINUTES

ADVISORY COUNCIL MEMBERS PRESENT:
Bruce McPherson (Santa Cruz County Board of Supervisors)
Justin Cummings (Santa Cruz County Board of Supervisors)
Sandy Brown (Chair; City of Santa Cruz)
Tanya Ridino (Senior Legal Services)
Mark Johannessen (At-large, Seniors Commission)

ADVISORY COUNCIL MEMBERS EXCUSED:
Jacques Bertrand (City of Capitola)
Allan Timms (City of Scotts Valley)
Casey Clark (City of Watsonville)
Angela Curro (San Benito County Board of Supervisors)
Bea Gonzales (San Benito County Board of Supervisors)
Rick Perez (City of Hollister)
Jackie Morris-Lopez (City of San Juan Bautista)
Leslie Q. Jordan (City of San Juan Bautista)
Chuck Molnar (At-large, Seniors Commission)

VACANCIES: Representative of Persons with Disabilities/Low Income; CSL Rep.; At Large Rep.

STAFF PRESENT:
Clay Kempf, Seniors Council Executive Director; Patty Talbott, AAA Administrator; Zach Johnson, Seniors Council Administrative Services Officer; Britt Bassoni, ADRC Director

OTHERS PRESENT:
Kimberly Peterson (SCC Human Services Department Deputy Director); Darren Daley (Meals On Wheels); Janeen Hill

1. Welcome, Call to Order and Introductions
Chair Sandy Brown called the meeting to order at 10:01AM. Introductions were made.

2. Additions and Deletions to the Agenda
None.
3. **Receive Announcements from Advisory Council Members**

Bruce said he has a four-burner cook top to give away.

4. **Comments from Members of the Public on Items Not on the Agenda**

Kimberly presented HSD CORE community engagement process. Currently collecting input to bring to Board in December about interest for next RFP priorities. Meeting scheduled Oct. 30 9-10 AM, virtual, for AAA providers to give direct feedback. Encouraged group to attend other meetings and complete online community survey. Timeline and other information, links, available on CORE website. Clay thanked Kimberly for presenting. [https://santacruzhumanservices.org/Home/FundingOpportunities/COREInvestments](https://santacruzhumanservices.org/Home/FundingOpportunities/COREInvestments)

Bruce commented that CORE should be more transparent next time, but controversy will always exist when funding is limited.

Tanya commented on cost of process increasing with other factors, an ongoing concern.

5. **Consent Agenda**

Advisory Council members were referred to Pages 5-1 to 5-3, minutes of the September AAA Advisory Council meeting.

**MOTION, McPherson/Cummings**, to approve the minutes of the September 2023 AAA Advisory Council meeting. **PASSED**

7. **Advocacy Committee (switched order with item 6)**

**Live Oak Senior Center** – Clay gave a recap on history of negotiations. Current eviction deadline is Oct. 31. Live Oak meal site remains closed and may remain shuttered; all others have reopened. School Board meets tonight, this is not on their agenda. Darren added that revised lease agreement and letter from legal counsel were sent about two weeks ago, including comments on bond measure and resuming using meal site, in light of other maintenance obligations and pre-existing usage. Supervisor Koenig’s letter recommends allowing extension until project is shovel-ready.

Patty asked about sign, Darren replied that it apparently has been in place for some time. Also complimented Darren’s landscaping work.

**California Senior Legislature** – No CSL rep present today. Clay said proposals went out to all Advisory Council members. Advocacy Committee reviewed and gave feedback to Antonio Rivas. CSL will meet in Sacramento later this month to select top 10 proposals which will be made public. Currently in second half of two-year cycle. Bruce said it will be a busy session; attended swearing in of Speaker Rivas. Over 3,000 bills introduced this year.

Tanya asked if there were any relating to mobile homes; answer was no. Clay noted there was one related to remote meetings that would apply to this body; also impacts rural communities. Bruce said there have been many housing bills passed lately, including ADUs. Justin, on Coastal Commission, will also be hearing more about this. Tanya mentioned proposal to turn parks into co-ops, allow residents to purchase homes. Clay described proposal for mediation when closing senior centers. Mark said Seniors Commission will review CSL proposals and make recommendations.

**Ageism Awareness Day** – Santa Cruz County, San Benito County, and City of Scotts Valley issued proclamations recognizing the Day. Sandy said City of Santa Cruz adopted as well.

**CORE Update** – Discussion topic for future: what is function of CORE? Studies and projects, or safety net?

8. **ARPA Unallocated Funds Recommendation (switched order with item 7)**

Clay pointed to 8-1 to 8-2 in packet. ~$333,000 left. $25-30,000 allocate for Santa Cruz Volunteer Center. Timely with closing of Seniors Council Falls Prevention program. $150-
250,000 allocate for disaster preparedness backpacks. Issue of storing pallets of backpacks before distribution, in talks now. Need to decide if ADRC can be funded as well. Receiving more information & assistance requests directly which is taking staff time. Bruce said the South County Marine Center might be option for storing backpacks. Tanya said they are receiving appx. 5,000 calls per year at Senior Legal Services. Clay said this is why everyone should receive some I&A funding.

**MOTION, Ridino/McPherson**, to approve funding ranges as proposed in recommendation, **PASSED**.

6. **Presentation – Mobile Home Rent Control & Senior Legal Service (Tanya Ridino)**

Tanya distributed impact sheets. Has been in operation since 1972. Discussed challenges facing SLS in terms of staffing. Primary goal currently is to keep people safely housed. Budget has increased to $500,000, looking at how to sustain growth and improve community support. Currently serving about 800 clients, receiving 5,000 inquires; about 50% is about housing law of various types. Long-term capacity planning and consumer debt services are about 10%, followed by elder abuse and public benefits questions (8-9%). Continue working closely with adult protective services and open to other partnerships. Need for in-office social workers, more medical/legal partnerships. Would like to do more on conservatorships. Contracting with SCC Mobile Home Commission to support residents in mobile homes facing unfair rent increases. One case about to come before CA Supreme Court. Supporting other parks and ordinances benefiting residents. Need to ensure enforcement of resident rights and formation of homeowner associations in mobile home parks. Tanya asked about current mobile home park ordinance enforcement. Sandy said it is not being enforced currently due to potential legal issues, spoke about history of enforcement and challenges. Bruce asked about Supreme Court timeline; should be announced soon. Sandy said that County has allocated funding for tenant sanctuary. Mark commented on difficulties finding landlord/tenant attorneys. Justin asked if any County ordinances need attention; Tanya will check with Will.

9. **Executive Director Report**

- **Falls Prevention Program Update** – Closing is ongoing; Clay gave a recap. Britt said priority is to ensure clients don’t experience service interruptions and to be transparent about process.
- **Agency Operations** – Clay said that ADRC will be elevated to a full project.
- **Master Plan for Aging** – Seniors Council efforts continue. State has wrapped up needs assessment but results not available yet.
- **State & Community Activities** – Solutions Summit still planned for next May. ADRC expansion to Santa Cruz possible. Good outlook for state budget in coming year. Jovenes de Anatano interviewing candidates for Executive Director.

10. **AAA Program Reports**

- Patty said there is not much new, but added officially approved version of funding summary for goals and objectives. Full plan also posted on website. Will start work on new four-year plan next year.

- **ADRC** – no report

- **Project SCOUT** – no report

11. **Miscellaneous Correspondence**

- Article mentioning 10 ways to volunteer in community, includes Seniors Council program.
12. **Adjournment**

The meeting was adjourned at 11:38 AM

Next Meeting: Wednesday December 13, 9:30-12:30 (Annual coordinated meeting with Seniors Council Board of Directors; location TBD)

Minutes prepared by: Zachary Johnson
ADRC of San Benito County
Staff Report - December 2023

The ADRC of San Benito County continues its work of helping to meet the long term services and support needs of San Benito County residents, caregivers, and families. Service numbers have fluctuated quite a bit month-to-month over the course of the last service year (July 1, 2022 – June 30, 2023), and at least one goal of the project for FY23/24 is to obtain more comprehensive and detailed data reporting from our partners. Additionally, we are working to increase the number and depth of our No Wrong Door partnerships in an effort to increase consumer service numbers for the four core service areas the ADRC Network is charged with providing. We feel these two simultaneous efforts will result in greater overall reporting consistency, as well as obviously creating opportunities for greater LTSS consumer accessibility, navigation assistance, and the delivery of Core Services. If you are a part of an organization that is interested in partnering with our local ADRC project, or you are familiar with or work with other organizations in the community that you feel would benefit from an ADRC partnership or could benefit the ADRC Network, please contact Britt Bassoni at brittb@seniorscouncil.org, or (831) 688-0400 x113.

ADRC staff continue to provide supportive services at the ADRC hub site office inside the Pauline Valdivia Memorial Community Center, at local enrollment and outreach events, in the homes of individuals who seek such in-person appointments, and via telephone and e-mail. As part of the No Wrong Door approach to service provision, the ADRC of San Benito County wants individuals to be able to access information and services through a variety of different local organizations, but also to be able to access services information and supports regardless of where they live, what disability they might have, or what time of day or night they have available to research LTSS options. Providing alternative meeting spaces and fully accessible resource information, such as the San Benito County Aging & Disability Resource Directory, help to fulfill the ADRC’s promise to provide “the right help, at the right time, to make a real difference.”

The ADRC purchased outreach information space in the Mission Village Voice for November and December 2023. In the November issue, the ADRC purchased the back inside cover of the Mission Village Voice, while in December the ADRC purchased the back cover of the local monthly. Additionally, the project is working toward agreement with Benito Link to purchase a twelve-month series of sponsorship/outreach and awareness ads on their platform promoting awareness around ADRC services, while simultaneously paying for additional and linked ads on behalf of our important partner organizations to help them build additional local awareness of their own services, as well as to highlight the importance of our inter-organizational partnerships and the benefit of those relationships to local consumers. While the ADRC messaging will remain largely unchanged month-to-month, the hot-linked partner ad adjacent to the ADRC ad will change out in two month intervals, and feature organizations such as Senior Legal Services, Del Mar Caregiver Resource Center, Jovenes de Antaño, Central Coast Center for Independent Living, HCAP/Senior Network Services, the Ombudsman Program, the Veterans Service Center, or others. Clicking on the partner ad will take consumers to the partner website for more information, including such things as contact information, or notices of special events.

ADRC staff and partners who committed staff time and organizational interest in additional ADRC-related training supports are preparing to begin their independent coursework in one or more of the thee training areas sponsored and paid for by the California Department on Aging (CDA). As a reminder, these three distinct training curriculum/certifications include the following:
Alliance of Information and Referral Systems (AIRS)
Community Resource Specialist (CRS), Community Resource Specialist - Aging/Disability (CRS-AD), and Community Resource Specialist - Database Curator (CRS-DC), requiring a combination of education and experience working in the information and referral field.

Center for Aging & Disability Education & Research (CADER) through Boston University’s School of Social Work
CADER provides interactive online content, including a comprehensive, five-course ADRC certificate program focused on key skills needed to work in ADRCs, including Options Counseling to support individuals’ choice, self-determination, participation in utilizing a range of community resources and working with people who have mental health concerns.

Other courses related to ADRC partner functions can also be obtained through CADER as a part of this effort:

- Care Management Course
- Care Transitions
- Working with Informal Caregivers

Care Transitions Intervention (CTI)
An evidence-based, short-term model that uses a whole-person approach to complement a care team by empowering the client to develop self-care skills and assume a more active role in their health.

CDA is currently working to assign the individual user seats and share credentials for each participating organization which indicated a desire to participate, with an eye towards get those certification processes begun shortly after the New Year. We are excited to be able to train together, and to be able to begin build a more common language and more uniform processes around the ADRC’s four core service components. In PSA #13, four organizations and a dozen staff will be engaged in completing 26 individual certification courses across these areas of knowledge and expertise.

Distribution of the remaining Digital Connections iPad devices with broadband data plans has been completed as of this reporting. We were able to enroll and distribute iPads with broadband connectivity plans to 125 individuals in both Santa Cruz and San Benito Counties, with partnership assistance from The Diversity Center of Santa Cruz County, Bay Avenue Apartments (Capitola), Jovenes de Antaño. The ADRC of San Benito County led this outreach and distribution effort in San Benito County, and will continue to provide oversight and limited technical support, as well as providing FCC Affordable Connectivity Plan (ACP) enrollment support as State-provided broadband plans come to an end in March 2023, newly revised from the original end date of December 2023. Britt Bassoni will provide similar support to participating individuals from Santa Cruz County, in his role as Special Projects Director for Seniors Council.

Asynchronous Person-Centered Case Management Certificate (6 courses, 24-hours) program training, through Boston University – Center for Aging & Disability Education and Research (BU-CADER), continues with four (4) individuals currently working toward certification, and one individual - - Kaitlyn Amador of Jovenes de Antaño - - having completed the certification work. Way to go, Kaitlyn, and thank you for your hard work and dedication!
ADRC and Seniors Council Staff continue with planning discussions and timeline development for Seniors Council’s Local Aging & Disability Action Planning (LADAP) Grant to develop a local action plan in support of the State’s Master Plan on Aging (MPA). We are still looking at beginning to convene local Solution Summit provider and community input events in May of 2024, to coincide with Older Americans Month.

ADRC Staff, along with Seniors Council Staff, also continue to have discussions around the development of a volunteer services support program in San Benito County, dedicated to the recruitment, retention, training, and support of local volunteers - of any age - working to meet the needs of older adults and individuals living with disability. This is an exciting project, with the potential of being able to support numerous local programs with trained, dedicated, and essential volunteers for the delivery of high-quality senior and disability services in the not-so-distant future, and for years to come. This is also an important project for the ADRC to participate in as part of efforts to help expand the community base of LTSS in San Benito County. Many available programs and services to support older adults and individuals living with disability in their homes and communities of choice are only available if there are trained, skilled, dedicated, and available volunteers willing and able to do important work. Additionally, programs that rely on paid in-home support staff must also continue to identify, recruit, train, retain, and make available a larger pool of paid in-home support staff to support income-based institutional diversion programs serving qualified community-dwelling individuals, caregivers, and families. Without an adequate supply of trained volunteers and paid in-home support staff, institutionalization becomes the only real and viable option for many.

ADRC Staff and Core and Extended NWD Partners continue distribution of our newly revised for FY23/24 ADRC of San Benito County Aging & Disability Resources Directories, in both English and Spanish. The spiral-bound guides are intended to help make access to and navigation of local aging and disability service supports easier and more efficient. There is also a digital and 24-hour accessible version of the directory - in both languages - available at www.sanbenitoadrc.org/resource-directory/. Please contact Leanne Oliveira at leanneo@seniorscouncil.org, or Britt Bassoni at brittb@seniorscouncil.org for individual or bulk copies for distribution within your organization or for future outreach events.
Hello!

I am Eduardo Santana (he, him), Project SCOUT's Program Director. Thank you for giving me the chance to shed light on the great work Project SCOUT has performed in year 2023!
1. 2023 Production Totals

Free Tax Preparation Totals (As of end of October):

<table>
<thead>
<tr>
<th></th>
<th>TCE</th>
<th>VITA</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Returns</td>
<td>547</td>
<td>1147</td>
<td>1694</td>
</tr>
<tr>
<td>$$$ Amount Federal Refunds</td>
<td>274,837.00</td>
<td>970,712.00</td>
<td>1,245,549.00</td>
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<tr>
<td>$$$ Amount State Refunds</td>
<td>102,789.00</td>
<td>222,392.00</td>
<td>325,181.00</td>
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<tr>
<td>EITC Claimed</td>
<td>16,954.00</td>
<td>294,595.00</td>
<td>311,549.00</td>
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</table>

Figures provided by IRS
$1,943,410.00

Total dollar amount put back in clients wallets including the savings for average cost of tax return ($220.00).

CALFRESH Assistance Totals (As of end of October):

<table>
<thead>
<tr>
<th>CALFRESH</th>
<th>Assessed (contacted, provided info, etc)</th>
<th>Assisted in 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Cruz County</td>
<td>393</td>
<td>48</td>
</tr>
<tr>
<td>San Benito County</td>
<td>32</td>
<td>18</td>
</tr>
</tbody>
</table>

Data counts kept by Project SCOUT
2. Project SCOUT Challenges (Δ)

Challenges are meant to be met and overcome.
-Liu Xiang
2023 Challenges Roadmap

1. Difficulty in having continued staff support for Project SCOUT services
2. Partners unwilling to try SCOUT’s appointment system or work with SCOUT’s volunteer service approach creating inefficiencies.
3. Partners focusing on marketing of services Project SCOUT provides as their own.
4. Dwindling funding and support from communities we serve amount to possible interrupted services.
5. Community partners aiming to get same funding for same services SCOUT provides.
6. Demand for services is higher than what our volunteers can supply; not enough volunteers.
7. Little support from San Benito County and stakeholders to expand our services to area.

3. Project SCOUT Successes (+)
The only place success comes before work is in the dictionary.
-Vince Lombardi

2023 Successes Roadmap

- Project SCOUT assisted over 9% more clients with tax preparation this year compared to last.
- Project SCOUT services through its volunteers at 21 different sites in Santa Cruz, San Benito, and even Monterey Counties.
- Project SCOUT's appointment system has been widely adopted by our partners, both for tax prep and Calfresh.
- Project SCOUT was commended by CDA on the work performed to educate and sign up clients to Calfresh.
- Volunteers had flexibility to help when they had free time, whether on-site or remotely.
- Community partners who are invested and supportive allow volunteers to do more and be more efficient.
4. Project SCOUT Opportunities [:-)]

"If a window of opportunity appears, don't pull down the shade.
-Tom Peters"
2024 Opportunities Roadmap

New weekly sites opening in 2024, such as UCSC and Jovenes de Antano.

Project SCOUT will provide weekly services at Jovenes de Antano in Hollister for the duration of tax season.

Two FSA sites in 2024 should allow those that can’t make our sites with options.

Expecting at least 35 volunteers to assist with tax preparation in 2024.

New agency-side phone system should improve on SCOUT’s appointment line.

Three sites in 2024 will assist with CalFresh while taxes are also being prepared.

Thanks!

Questions?
You can also find me at:
831-724-2606 office
831-318-1014 cell
eduardos@seniorscouncil.org
The 2024-25 Budget:

California’s Fiscal Outlook

GABRIEL PETEK
LEGISLATIVE ANALYST
DECEMBER 2023
Executive Summary

California Faces a $68 Billion Deficit. Largely as a result of a severe revenue decline in 2022-23, the state faces a serious budget deficit. Specifically, under the state's current law and policy, we estimate the Legislature will need to solve a budget problem of $68 billion in the upcoming budget process.

Unprecedented Prior-Year Revenue Shortfall Creates Unique Challenges. Typically, the budget process does not involve large changes in revenue in the prior year (in this case, 2022-23). This is because prior-year taxes usually have been filed and associated revenues collected. Due to the state conforming to federal tax filing extensions, however, the Legislature is gaining a complete picture of 2022-23 tax collections after the fiscal year has already ended. Specifically, we estimate that 2022-23 revenue will be $26 billion below budget act estimates. This creates unique and difficult challenges—including limiting the Legislature's options for addressing the budget problem.

Legislature Has Multiple Tools Available to Address Budget Problem. While addressing a deficit of this scope will be challenging, the Legislature has a number of options available to do so. In particular, the state has nearly $24 billion in reserves to address the budget problem. In addition, there are options to reduce spending on schools and community colleges that could address nearly $17 billion of the budget problem. Further adjustments to other areas of the budget, such as reductions to one-time spending, could address at least an additional $10 billion or so. These options and some others, like cost shifts, would allow the Legislature to solve most of the deficit largely without impacting the state's core ongoing service level.

Legislature Will Have Fewer Options to Address Multiyear Deficits in the Coming Years. Given the state faces a serious budget problem, using general purpose reserves this year is merited. That said, we suggest the Legislature exercise some caution when deploying tools like reserves and cost shifts. The state's reserves are unlikely to be sufficient to cover the state's multiyear deficits—which average $30 billion per year under our estimates. These deficits likely necessitate ongoing spending reductions, revenue increases, or both. As a result, preserving a substantial portion—potentially up to half—of reserves would provide a helpful cushion in light of the anticipated shortfalls that lie ahead.
INTRODUCTION

Each year, our office publishes the Fiscal Outlook in anticipation of the upcoming budget season. The goal of this report is to give the Legislature our independent estimates and analysis of the state’s budget condition as lawmakers begin planning the 2024-25 budget. This year, this report has three key takeaways:

- **California Faces a Serious Deficit.** Largely as a result of a severe revenue decline in 2022-23, the state faces a serious budget deficit. Specifically, under the state’s current law and policy, we estimate the Legislature will need to solve a budget problem of $68 billion in the coming budget process.

- **Unprecedented Prior-Year Revenue Shortfall.** Typically, the budget process does not involve large changes in revenue in the prior year (in this case, 2022-23). This is because prior-year taxes usually have been filed and associated revenues collected.

Due to the state conforming to federal tax filing extensions, however, the Legislature is only gaining a complete picture of 2022-23 tax collections after the fiscal year has already ended. Specifically, we estimate that 2022-23 revenue will be $26 billion below budget act estimates.

- **Legislature Has Multiple Tools Available to Address Budget Problem.** While addressing a deficit of this scope will be challenging, the Legislature has a number of options available to do so. In particular, the Legislature has reserves to withdraw, one-time spending to pull back, and alternative approaches for school funding to consider. These options, along with some others, would allow the Legislature to solve most of the deficit largely without impacting the state’s core ongoing service level.

CALIFORNIA ENTERED A DOWNTURN LAST YEAR

**Higher Borrowing Costs and Reduced Investment Have Cooled California’s Economy.** In an effort to cool an overheated U.S. economy, the Federal Reserve has taken actions over the last two years to make borrowing more expensive and reduce the amount of money available for investment. This has slowed economic activity in a number of ways. For example, home sales are down by about half, largely because the monthly mortgage to purchase a typical California home has gone from $3,500 to $5,400. Some effects of the Federal Reserve’s actions have hit segments of the economy that have an outsized importance to California. In particular, investment in California startups and technology companies is especially sensitive to financial conditions and, as a result, has dropped significantly. For example, the number of California companies that went public (sold stock to public investors for the first time) in 2022 and 2023 is down over 80 percent from 2021.

As a result, California businesses have had much less funding available to expand operations or hire new workers.

**State’s Economy Entered a Downturn in 2022.** These mounting economic headwinds have pushed the state’s economy into a downturn. The number of unemployed workers in California has risen nearly 200,000 since the summer of 2022. This has resulted in a jump in the state’s unemployment rate from 3.8 percent to 4.8 percent, as Figure 1 on the next page shows. Similarly, inflation-adjusted incomes posted five straight quarters of year-over-year declines from the first quarter of 2022 to the first quarter 2023.

**Recent Revenue Collections Show Impact of Economic Downturn.** With the state’s conformity to federal actions postponing deadlines for tax payments on investment and business income for much of the past year, the state adopted the 2023-24 budget without a clear picture of the impact

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Figure 1

Uptick in Unemployment Rate Triggered a Recession Indicator

Federal policymakers use the Sahm Rule to track the start of recessions in real time. The Sahm Rule has accurately indicated—with no false positives—the prior six U.S. recessions as well as California downturns.

Sahm Recession Indicator signals the start of a recession when the three-month moving average of the unemployment rate rises by 0.5 percentage points or more relative to its low during the previous 12 months.

of recent economic weakness on state revenues. Regardless, there have been signs of revenue weakness over the past year. The portion of income taxes collected directly from workers’ paychecks was down 2 percent over the last twelve months compared to the preceding year. Sales tax collections have been essentially flat, despite above-average growth in consumer prices. The full extent of revenue weakness, however, came into full focus recently with the arrival of the postponed tax payments. With the deadline passed, collections data now show a severe revenue decline, with total income tax collections down 25 percent in 2022-23. This decline is similar to those seen during the Great Recession and dot-com bust. While the slowdown of investment in California companies and corresponding broader economic weakness likely were primary drivers of this decline, another important factor was financial market distress in 2022. Overall, the experience of the last few years suggests California’s economy and revenues are uniquely sensitive to Federal Reserve actions.

Significant Risk That Weakness Could Persist Into Next Year. Whether the recent weakness will continue is difficult to say. However, the odds do not appear to be in the state’s favor. Past downturns similar to this recent episode have tended to be followed by additional weakness. For instance, as Figure 1 shows, an increase in the unemployment rate similar to the recent period has consistently been followed by an extended period of elevated unemployment. Similarly, in the past, years with large revenue declines typically have been followed by an additional year of lackluster revenue performance. History does not always repeat itself and might not this time. Nonetheless, there is a significant risk the current weakness could continue into next year.
Revenue Outlook Reflects Risk of Continued Weakness. Reflecting the risk of continued weakness, our revenue outlook—shown in Figure 2—anticipates collections will be nearly flat in 2023-24, after falling 20 percent in 2022-23. Our outlook then has revenue growth returning in 2024-25 and beyond. Based on this trajectory, our revenue outlook expects collections to come in $58 billion below budget act assumptions across 2022-23 through 2024-25, with about half of this difference ($26 billion) attributable to 2022-23. As always, this forecast is highly uncertain. It is entirely possible that revenues could end up $15 billion higher or lower than our forecast for 2023-24 and $30 billion higher or lower for 2024-25.

THE BUDGET PROBLEM

Budget Year

In this section, we describe our estimates of California’s budget condition for the upcoming fiscal year: 2024-25. We expect the state will face a serious deficit, also known as a budget problem. A budget problem occurs when resources for the upcoming budget are insufficient to cover the costs of currently authorized services.

State Faces a $68 Billion Deficit. Under current law and policy, we estimate the state faces a budget problem of $68 billion. Figure 3 reflects the budget problem in the 2024-25 ending balance in the Special Fund for Economic Uncertainties. The budget problem is the net effect of the following factors:

- State Anticipated a Deficit of Around $14 Billion.
  The 2023-24 Budget Act planned for a spending level in 2024-25 that was higher than expected revenue collections. Put another way, last year’s budget planned for a deficit in 2024-25. That anticipated deficit of $14 billion is the starting place for the upcoming budget process and therefore adds to the calculation of the budget problem.
• **Revenues Are Lower Than Budget Act Projections by $58 Billion.** As described earlier, collections data to date show a severe revenue decline, with total income tax collections down 25 percent in 2022-23. Reflecting the risk of continued economic weakness, our forecast anticipates flat revenue growth for 2023-24, with positive growth returning in 2024-25 and beyond. Based on this trajectory, our revenue outlook expects collections to come in $58 billion below budget act assumptions across the budget window. This is the major driver of the budget problem.

• **School and Community College Spending Is Lower by More Than $4 Billion.** Proposition 98 (1988) establishes a minimum annual funding requirement for schools and community colleges, met with state General Fund and local property tax revenue. When General Fund revenue declines, the minimum requirement usually declines in tandem. Most school spending, however, does not automatically decrease when the minimum requirement drops in the current or prior year. As described in the nearby box, the state could decide to reduce Proposition 98 General Fund spending by nearly $21 billion under our outlook, but the automatic reduction is about $4 billion. The budget problem is therefore lower by about $4 billion in our deficit calculation.

• **Other Spending Is Lower by $4 Billion.** We estimate spending across the rest of the budget will be lower than the administration's June projections by about $4 billion over the budget window. The major driver of this difference is spending on health and human services (HHS) programs, where our estimates are lower by about $3 billion. We do not have department- or program-level detail on the administration's HHS spending forecast, so we cannot give more detail about the nature of this difference. This lowers the budget problem by a like amount.

• **Entering Fund Balance Is Lower by $3 Billion.** Budgetary changes to years before the budget window are reflected in the 2022-23 entering fund balance. (These changes occur due to accounting rules, which sometimes result in the state "accruing" or attributing revenues or spending to earlier years, based on when the underlying economic activity is estimated to have occurred.) Our estimate of the budget problem reflects a $3 billion downward adjustment in the entering fund balance as a result of lower revenues. This adds to the budget problem.

• **Reserve Deposits Are Higher by $400 Million.** Proposition 2 (2014) requires the state to set aside minimum amounts to deposit into its reserve, pay down debts, and (under certain conditions) spend money on infrastructure. These requirements are determined by a set of relatively complex formulas. Ordinarily, the required set asides increase when revenues increase and drop when revenues decrease. This year, however, due to a variety of idiosyncratic issues, under current law and policy, the state's reserve requirements would increase in response to our revenue forecast. The nearby box describes the reasons why. As we discuss later, in response to a budget emergency, the Legislature and Governor can decide to suspend these deposits and/or withdraw funds from the reserve.

**Multiyear**

In this section, we describe our estimates of California's budget condition for the multiyear period through 2027-28. This projection is based on our main revenue forecast, as shown in Figure 2, and spending forecast, as shown in Appendix 2.

**State Faces Significant Operating Deficits.** Figure 4 on page 10, shows our projections of the multiyear condition of the budget under our main revenue forecast. As the figure shows, in addition to the $68 billion budget problem we have identified for 2024-25, the state faces annual operating deficits of around $30 billion per year.
ONLY MODEST AUTOMATIC SPENDING CHANGES IN RESPONSE TO LOWER REVENUES

State Has Two Constitutional Reserves with Formula-Driven Requirements. Proposition 2 (2014) governs deposits into (and withdrawals from) the state’s two constitutional reserves: the Budget Stabilization Account (BSA), a general purpose reserve, and the Proposition 98 Reserve, which is dedicated to schools and community colleges. In both cases, reserve requirements tend to go up when revenues increase, particularly when capital gains taxes rise, and vice versa. These requirements are automatically adjusted in response to changes in revenue estimates and both reserves have maximum thresholds. In the case of the BSA, requirements above the maximum threshold must be spent on infrastructure instead. In the case of the Proposition 98 Reserve, reserve withdrawals are sometimes required, especially in tighter fiscal times.

Proposition 2

This Year, Most Declines in BSA-Related Requirements Do Not Impact Budget’s Bottom Line. Typically, drops in revenue would result in lower BSA and infrastructure requirements. Under our estimates, the state’s required payments on infrastructure decline by billions of dollars, but because of the way these payments are scored, these changes have no impact on the budget’s bottom line. In addition, BSA deposits increase largely because of the significant downward revenue adjustment to 2022-23. The large downward revenue adjustment means the state must continue to make reserve deposits to reach the 10 percent threshold (under our understanding of the administration’s interpretation of Proposition 2) after 2022-23.

Proposition 98

Proposition 98 Sets Minimum Level of School Funding. Proposition 98 (1988) amended the California Constitution to establish a minimum annual funding requirement for schools and community colleges. The state calculates the minimum requirement using formulas that account for various inputs, including General Fund revenue. The state meets the requirement through a combination of General Fund spending and local property tax revenue. The state recalculates the minimum requirement at the end of the year based on revised estimates of these inputs, followed by a second recalculation at the end of the following year. When the minimum requirement decreases, the state can leave school spending at the level it initially approved in the budget or reduce spending to the lower requirement.

Estimate of Minimum General Fund Spending Requirement Under Proposition 98 Is Down $21 Billion... Under our outlook, the decline in General Fund revenue reduces the minimum required General Fund spending under Proposition 98 by $21 billion from 2022-23 through 2024-25, which represents a reduction of nearly 38 cents for each dollar of lower revenue. This reduction includes $9.6 billion in 2022-23, $7 billion in 2023-24, and $4.4 billion in 2024-25. The magnitude of the downward revision in 2022-23 is unprecedented for a fiscal year that is already over. Although the state has experienced large swings in the minimum requirement for fiscal years that are currently in progress, revisions to prior fiscal years are typically minor and rarely exceed a few hundreds of millions of dollars.

... But Automatic Reduction in School Spending Is Only $4.3 Billion. Although the constitutional minimum funding requirement is down $21 billion, the automatic reduction in school spending over the period is only $4.3 billion. Most of this reduction relates to the automatic elimination of required deposits into the Proposition 98 Reserve in 2022-23 and 2023-24. After accounting for the effects of lower reserve deposits—along with several smaller adjustments—General Fund spending over the three years is down $4.3 billion compared with the June 2023 estimates. This reduction leaves school spending nearly $16.7 billion above the levels that would exist if the state only funded at the constitutional minimum each year of the period.
These operating deficits represent additional budget problems the Legislature would need to address in the coming years, either by reducing spending, increasing revenues, shifting costs, or using reserves. Although highly uncertain, our projection of the state’s deficits would accumulate to $155 billion across the forecast window, which is significantly more than the amount of reserves the state has available (about $24 billion).

**Extent of Future Deficits Depends on Legislative Decisions This Year.** The multiyear deficits shown in Figure 4 are subject to substantial uncertainty. First, revenue estimates can easily differ from our estimates by tens of billions of dollars in either direction. Second, these deficits are based on our assessment of the costs of the state’s programs under current law and policy.

The state’s actual costs will be higher or lower depending on decisions made by the Legislature, including, for example, about how to fund schools and community colleges in 2022-23.

**SOLVING THE BUDGET PROBLEM**

**State Has Various Options to Address the Budget Problem.** While addressing a deficit of $68 billion will be challenging, the Legislature has a number of options available to do so. In this section, we describe some of the key ones. (Some of the solutions here assume a budget emergency is declared.) These solutions include:

- **Withdraw Reserves.** Under our estimates, the state would have about $24 billion in reserves to help address the budget problem (assuming a budget emergency is declared).

- **Reduce Proposition 98 Spending.** Over the three-year period, the state could reduce General Fund costs by $16.7 billion if it were to lower school spending to the constitutional minimum allowed under Proposition 98. One option for implementing some of this reduction would be to use the Proposition 98 Reserve to cover school-related costs that exceed the Proposition 98 minimum requirement in 2022-23.

- **Reduce Other One-Time Spending.** We estimate the state has at least $8 billion in one-time and temporary spending in 2024-25 that could be pulled back to help address the budget problem. In addition, there are potentially billions of dollars more in spending from prior years that has been committed but not yet distributed, and therefore also could be reduced to help address the budget problem.

- **Identify Other Solutions.** Even after using most or all of these solutions, the Legislature still would need to find more solutions to address the remainder of the budget problem. Other options include additional cost shifts (such as more loans from special funds), revenue solutions, and ongoing spending reductions.
Withdraw Reserves

State Could Withdraw Up to $24 Billion in General Purpose Reserves. As shown in Figure 3, the state has $23 billion in the BSA under our estimates, plus about $1 billion in the Safety Net Reserve, to address the budget problem. The Safety Net Reserve is available to fund program costs in HHS programs, like Medi-Cal, while the BSA can only be accessed in a budget emergency, as described below.

Budget Emergency Available Under Our Estimates. The Legislature can only suspend mandatory deposits or make withdrawals from either of its two constitutional reserves—the BSA and the Proposition 98 Reserve—if the Governor declares a budget emergency. The Governor may declare a budget emergency in two cases: (1) if estimated resources in the current or upcoming fiscal year are insufficient to keep spending at the level of the highest of the prior three budgets, adjusted for inflation and population (a "fiscal budget emergency"), or (2) in response to a natural or man-made disaster. Under our forecast, a fiscal emergency would be available both in 2023-24 and 2024-25. In the case of a fiscal budget emergency, the Legislature only can withdraw the lesser of: (1) the amount of the budget emergency, or (2) 50 percent of the BSA balance (in each year). As of this writing, the Governor has not called a fiscal budget emergency for 2023-24 or 2024-25.

Reduce Proposition 98 Spending

Spending Reductions Would Help Balance the Budget but Involve Trade-Offs. If the Legislature reduced school spending to the constitutional minimum allowed by Proposition 98, it would address up to $16.7 billion of the budget problem. To obtain these savings, the state would have to reduce spending it previously approved in 2022-23 and 2023-24. In previous downturns, the state relied heavily on two main approaches for implementing such reductions: (1) across-the-board reductions to per-pupil allocations and (2) payment deferrals. These options, however, tend to be disruptive for school operations, particularly when the state announces them on short notice. In addition, the state's options for reductions in 2022-23 are relatively limited because the state has allocated most of the funding attributable to the prior year already. Before resorting to cuts or deferrals, however, the state could reduce spending in other ways that would be less disruptive for schools.

Proposition 98 Reserve Could Cover Spending Above the Minimum Requirement in 2022-23. Based on deposits the state made in 2020-21 and 2021-22, the Proposition 98 Reserve currently holds a balance of $8.1 billion. (This amount excludes the additional deposits the state had anticipated making in 2022-23 and 2023-24 prior to our lower revenue estimates.) The state could use up to $7.7 billion of this balance to cover school spending that exceeds the Proposition 98 minimum requirement in 2022-23. Using the Proposition 98 Reserve in this way would allow the state to lower General Fund spending to the constitutional minimum level in the prior year without reducing the funding allocations it previously approved. From an accounting perspective, Proposition 98 Reserve withdrawals also do not count as spending for the purpose of determining the minimum funding requirement in future years. This means using the Proposition 98 Reserve for 2022-23 also would reduce the constitutional minimum requirements in 2023-24 and 2024-25. (The formulas governing the Proposition 98 Reserve would require the state to withdraw the remaining amount in the reserve—about $450 million—in 2023-24.)

State Could Make Reductions to Programs With Unallocated Funds. Although the Proposition 98 Reserve could allow the state to reduce General Fund spending with minimal disruption to school programs, the reserve balance is not large enough to obtain $16.7 billion in savings by itself. If the state wanted to obtain the maximum possible savings, it would need to make additional reductions. One option is to reduce program funding that has not yet been allocated to schools. For example, the state previously approved $1.1 billion for grants to community schools that count as spending in 2022-23 but have not yet been awarded. (This funding is in addition to the roughly $3 billion in funding for community schools that the state approved prior to 2022-23.)
In addition, several hundreds of millions of dollars in State Preschool funding provided in 2022-23 and 2023-24 is currently not obligated for any specific purpose. Over the coming months, the state likely will be able to identify additional grants and programs with unspent funds. Reducing grants that have not yet been allocated to schools could allow the state to reduce General Fund spending while minimizing reductions to funding that schools were already planning to receive. As we explain in the Appendix, if the Legislature took these actions, Proposition 98 funding would be sufficient to cover all but $1 billion of ongoing program costs in 2024-25.

**Reduce One-Time Spending**

*Pulling Back One-Time and Temporary Spending Could Provide More Than $10 Billion in Solutions.* We estimate the state has $8.6 billion in one-time and temporary spending slated for 2024-25 that can be reduced entirely in order to address the serious budget problem. This includes spending of: $2.2 billion in transportation, $1.9 billion in natural resources and environment, and $1.8 billion in various education programs. In addition, the Legislature has committed tens of billions of dollars in previous years to one-time and temporary purposes, including billions of dollars in the current year. Some of these funds could be withdrawn to address the deficit, but the Legislature would need to request more information from the administration to know the precise amounts that could be feasibly reduced. To maximize flexibility and mitigate disruption, some of these pullbacks could merit early action in 2024.

**Identify Other Solutions**

*State Might Have Some Cost Shift Options Remaining.* Cost shifts occur when the state moves costs between fund sources or entities—for example, shifting spending from the General Fund to special funds or, as has been done in prior budgets, shifting costs from the state to local governments. The state used about $10 billion in cost shifts to address last year’s budget problem and could have some additional capacity to shift additional costs again this year. For example, we think the state would have more capacity to make loans from special funds if those loans were made on a pooled basis, rather than on an individual fund basis.

*State Has Used Revenue Increases to Address Past Budget Problems.* For example, in 2020-21, the state temporarily suspended net operating loss (NOL) deductions, preventing corporations with net income over $1 million from using NOLs. The state also limited businesses from claiming more than $5 million in tax credits. The state also has increased broad-based taxes on a temporary and permanent basis in similar revenue downturns.

*Other Spending Reductions.* Given the extent of the deficit, the state might also have to reduce other spending—including cuts into its core service level—in order to balance the budget. In facing budget problems of similar magnitudes, the state in the past has made reductions to employee compensation and lowered spending on higher education and the judicial branch. The Legislature also could explore using more of the state’s recently reauthorized tax on managed care organization to offset the General Fund costs of Medi-Cal, rather than for other costs, such as increasing provider rates.
Unprecedented Prior-Year Revenue Revision Creates Unique Challenges. Typically, the budget process does not involve large changes in revenue in the prior year (in this case, 2022-23). This is because usually prior-year taxes already have been filed and associated revenues collected. Due to the federal tax filing extensions, however, the Legislature is gaining a complete picture of 2022-23 tax collections after the fiscal year has already ended. This creates unique and difficult challenges. Had the Legislature had complete information about 2022-23 tax collections in May, as would be typical, it would have solved much of this deficit in June 2023. At that time, the Legislature would have had more options available to reduce spending. Now that the fiscal year has ended, adjusting spending for 2022-23 across a broad range of programs will be more challenging, including for schools and community colleges and much of the rest of the budget.

Early Action Could Increase Flexibility. Given the scale of the budget problem, we suggest the Legislature immediately begin evaluating past spending to find monies that have been committed but not yet distributed. These could be pulled back to help address the budget problem. Taking early action on these reductions could increase the choices available to the Legislature. Once more money has been distributed, fewer options will be available by May.

Legislature Will Have Fewer Options to Address Multiyear Deficits in the Coming Years. Given the state faces a serious budget problem, using general purpose reserves this year is merited. That said, we suggest the Legislature exercise some caution when deploying tools like reserves and cost shifts. The state’s reserves—which total $24 billion—are unlikely to be sufficient to cover the state’s multiyear deficits—which average $30 billion per year under our estimates. These deficits likely necessitate ongoing spending reductions, revenue increases, or both. As a result, preserving a substantial portion—potentially up to half—of reserves would provide a helpful cushion in light of the anticipated shortfalls that lie ahead.
Total Proposition 98 Funding Requirement Down $18.8 Billion Compared With June Estimates. Under our outlook, the minimum funding requirement for schools across 2022-23, 2023-24, and 2024-25 is $18.8 billion lower than the estimates from June 2023. This reduction reflects two main adjustments: (1) a $21 billion decrease in required General Fund spending and (2) a $2.2 billion increase in local property tax revenue. The reduction in required General Fund spending reflects our significantly lower estimates of General Fund revenue, with the minimum funding requirement decreasing nearly 38 cents for each dollar of lower revenue. The increase in local property tax revenue reflects preliminary data showing growth in 2022-23 and 2023-24. Appendix Figure 1 and Figure 2 on the following pages provide more detail on these changes by year. As the bottom of Appendix Figure 2 shows, the total reduction in the minimum funding requirement is $9 billion in 2022-23, $6.3 billion in 2023-24, and $3.5 billion in 2024-25. These amounts represent the maximum reductions in school funding—relative to June 2023 estimates—the state could make while still meeting the Proposition 98 minimum funding requirement.

Under Baseline Assumptions, State Would Provide $11.9 Billion More Than the Revised Minimum Requirement in 2022-23 and 2023-24. Although the Proposition 98 funding requirement changes automatically based on updated revenue estimates, the law does not automatically adjust most school spending in the current or prior year. For 2022-23, we estimate that automatic adjustments only reduce Proposition 98 spending by $1.3 billion compared with the level anticipated in June 2023. This reduction mainly reflects the elimination of the required deposit into the Proposition 98 Reserve (the deposit is no longer required due to our lower estimates of capital gains revenue). It also reflects a small increase in costs for the Local Control Funding Formula and various smaller adjustments. Accounting for the $9 billion decrease in the Proposition 98 funding requirement and the $1.3 billion decrease in costs, overall spending in the prior year is $7.7 billion above the minimum requirement. This funding above the minimum level also becomes part of the base for calculating the minimum requirement in 2023-24. Specifically, it increases the 2023-24 requirement by $4.2 billion relative to the amount the state otherwise would have to provide. Across both years combined, funding under our baseline assumptions is $11.9 billion higher than the amount the state would provide if it were to fund at the minimum level only.

Decision About Spending in 2022-23 and 2023-24 Affects Calculation of the Funding Requirement in 2024-25. The Legislature’s decision about whether to reduce funding to the lower minimum requirement in the current and prior year has significant implications for the calculation of the funding requirement in 2024-25. We estimate that if the state leaves funding $11.9 billion above the Proposition 98 minimum requirement across 2022-23 and 2023-24 (consistent with our baseline assumptions), the funding requirement in 2024-25 would be $113 billion. This level of funding would be slightly higher than the estimate the state made in June 2023. Conversely, if the state were to lower funding in 2022-23 and 2023-24 to the minimum levels allowed under Proposition 98, the funding requirement in 2024-25 would be $108.2 billion. This level of funding would be about $3.5 billion less than the estimate the state made in June 2023. If the state were to lower spending somewhat but not to the minimum levels in 2022-23 and 2023-24, the funding requirement in 2024-25 would fall somewhere between $108.2 billion and $113 billion.

Total Costs for Existing Programs and Statutory Cost-of-Living Adjustment (COLA) Estimated at $109.3 Billion. Separate from our calculations of the Proposition 98 funding requirement, we also estimated the cost of maintaining existing school and community college programs in 2024-25. In making this estimate, we accounted for cost increases and decreases related to (1) changes in student attendance and community college enrollment, (2) an estimated statutory COLA of 1.27 percent, and (3) the
Appendix 1, Figure 1

Comparing Proposition 98 Funding Levels in the Budget Window
(In Billions)

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expiration of various one-time costs and savings included in the June 2023 budget plan. Under our estimates, the total cost for existing programs in 2024-25 is $109.3 billion. Of this amount, $1.3 billion is the cost specifically associated with the 1.27 percent statutory COLA. Under our baseline assumption (in which the state does not reduce funding to the minimum level in the current or prior year), the Proposition 98 funding requirement in 2024-25 would be more than enough to cover the statutory COLA. If the state were to reduce spending to the minimum level, however, the 2024-25 funding requirement would be about $1 billion less than the cost of existing programs adjusted for COLA.

State Estimated to Withdraw Entire Proposition 98 Reserve Balance. Under our outlook, the reductions in Proposition 98 funding require the state to withdraw the entire $8.1 billion balance in the Proposition 98 Reserve. Under our baseline assumption—that is, absent any special action by the Legislature—the constitutional formulas would require withdrawals of nearly $5.5 billion in 2023-24 and nearly $2.7 billion in 2024-25. Alternatively, the state could decide to withdraw funds preemptively and use them to cover costs that exceed the Proposition 98 requirement in the prior year. Under this approach, the state would withdraw $7.7 billion from the reserve for use in 2022-23 (it would be required to withdraw the remaining $450 million in 2023-24). This approach would allow the state to reduce General Fund spending on schools in the prior year without cutting school programs below previously approved levels. (This approach also assumes a budget emergency is declared.) Under the Constitution, the Legislature may use withdrawals from the Proposition 98 Reserve for any school or community college purpose.
Comparing Proposition 98 Funding Estimates

(Dollars in Millions)

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<td><strong>$327,291</strong></td>
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<tr>
<td>General Fund tax revenue&lt;sup&gt;a&lt;/sup&gt;</td>
<td>$204,533</td>
<td>$201,213</td>
<td>$203,116</td>
<td>$608,862</td>
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<tr>
<td>K-12 average daily attendance</td>
<td>0.1%</td>
<td>0.3%</td>
<td>-0.2%</td>
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</tr>
<tr>
<td>Per capita personal income</td>
<td>7.6</td>
<td>4.4</td>
<td>3.1</td>
<td>-</td>
</tr>
<tr>
<td>Per capital General Fund&lt;sup&gt;b&lt;/sup&gt;</td>
<td>-6.2</td>
<td>-0.8</td>
<td>1.4</td>
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<tr>
<td>Operative test</td>
<td>1</td>
<td>1</td>
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**LAO December Outlook With Baseline Adjustments Only**

<table>
<thead>
<tr>
<th></th>
<th>2022-23</th>
<th>2023-24</th>
<th>2024-25</th>
<th>Three-Year Totals</th>
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<tbody>
<tr>
<td>Proposition 98 Funding:</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>General Fund</td>
<td>$76,244</td>
<td>$74,651</td>
<td>$80,111</td>
<td>$231,007</td>
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<tr>
<td>Local property tax</td>
<td>29,778</td>
<td>31,543</td>
<td>32,867</td>
<td>94,189</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$106,022</strong></td>
<td><strong>$106,195</strong></td>
<td><strong>$112,979</strong></td>
<td><strong>$325,195</strong></td>
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<tr>
<td>General Fund tax revenue&lt;sup&gt;a&lt;/sup&gt;</td>
<td>$179,091</td>
<td>$182,747</td>
<td>$190,099</td>
<td>$551,938</td>
</tr>
<tr>
<td>K-12 average daily attendance</td>
<td>0.9%</td>
<td>0.7%</td>
<td>0.7%</td>
<td>-</td>
</tr>
<tr>
<td>Per capita personal income</td>
<td>7.6</td>
<td>4.4</td>
<td>4.3</td>
<td>-</td>
</tr>
<tr>
<td>Per capital General Fund&lt;sup&gt;b&lt;/sup&gt;</td>
<td>-17.8</td>
<td>2.9</td>
<td>5.3</td>
<td>-</td>
</tr>
<tr>
<td>Operative test</td>
<td>1</td>
<td>3</td>
<td>2</td>
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**LAO December Outlook With Funding Reduced to Minimum Level**

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<tbody>
<tr>
<td>Proposition 98 Funding:</td>
<td></td>
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<tr>
<td>General Fund</td>
<td>$66,553</td>
<td>$70,491</td>
<td>$75,295</td>
<td>$214,338</td>
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<tr>
<td>Local property tax</td>
<td>29,778</td>
<td>31,543</td>
<td>32,867</td>
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<tr>
<td><strong>Totals</strong></td>
<td><strong>$96,330</strong></td>
<td><strong>$102,035</strong></td>
<td><strong>$108,162</strong></td>
<td><strong>$306,527</strong></td>
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<td>General Fund tax revenue&lt;sup&gt;a&lt;/sup&gt;</td>
<td>$179,091</td>
<td>$182,747</td>
<td>$190,099</td>
<td>$551,938</td>
</tr>
<tr>
<td>K-12 average daily attendance</td>
<td>0.9%</td>
<td>0.7%</td>
<td>0.7%</td>
<td>-</td>
</tr>
<tr>
<td>Per capita personal income (Test 2)</td>
<td>7.6</td>
<td>4.4</td>
<td>4.3</td>
<td>-</td>
</tr>
<tr>
<td>Per capital General Fund (Test 3)&lt;sup&gt;b&lt;/sup&gt;</td>
<td>-17.8</td>
<td>2.9</td>
<td>5.3</td>
<td>-</td>
</tr>
<tr>
<td>Operative test</td>
<td>1</td>
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**Funding Comparisons**

<table>
<thead>
<tr>
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<th>2023-24</th>
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<th>Three-Year Totals</th>
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</thead>
<tbody>
<tr>
<td>Difference From Enacted Budget to LAO Baseline</td>
<td></td>
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<tr>
<td>General Fund</td>
<td>-$1,873</td>
<td>-$2,806</td>
<td>$372</td>
<td>-$4,307</td>
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<tr>
<td>Local property tax</td>
<td>536</td>
<td>689</td>
<td>986</td>
<td>2,211</td>
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<tr>
<td><strong>Totals</strong></td>
<td><strong>-$1,336</strong></td>
<td><strong>-$2,117</strong></td>
<td><strong>$1,358</strong></td>
<td><strong>-$2,096</strong></td>
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<table>
<thead>
<tr>
<th></th>
<th>2022-23</th>
<th>2023-24</th>
<th>2024-25</th>
<th>Three-Year Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difference From LAO Baseline to Proposition 98 Minimum Level</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>General Fund</td>
<td>-$7,692</td>
<td>-$4,160</td>
<td>-$4,816</td>
<td>-$16,668</td>
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<tr>
<td>Local property tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>-$7,692</strong></td>
<td><strong>-$4,160</strong></td>
<td><strong>-$4,816</strong></td>
<td><strong>-$16,668</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2022-23</th>
<th>2023-24</th>
<th>2024-25</th>
<th>Three-Year Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difference From Enacted Budget to Proposition 98 Minimum Level</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>-$9,565</td>
<td>-$6,966</td>
<td>-$4,445</td>
<td>-$20,975</td>
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<tr>
<td>Local property tax</td>
<td>536</td>
<td>989</td>
<td>986</td>
<td>2,211</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>-$9,029</strong></td>
<td><strong>-$6,977</strong></td>
<td><strong>-$4,445</strong></td>
<td><strong>-$20,975</strong></td>
</tr>
</tbody>
</table>

<sup>a</sup> Excludes non-tax revenues and transfers, which do not affect the Proposition 98 calculations.
<sup>b</sup> As set forth in the State Constitution, reflects change in per capita General Fund plus 0.5 percent.
## General Fund Spending Through 2024-25
(In Billions)

<table>
<thead>
<tr>
<th></th>
<th>2023-24</th>
<th>2024-25</th>
<th>Change From 2022-23</th>
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</thead>
<tbody>
<tr>
<td>Legislative, Executive</td>
<td>$6.1</td>
<td>$5.2</td>
<td>-15%</td>
</tr>
<tr>
<td>Courts</td>
<td>3.5</td>
<td>3.7</td>
<td>6</td>
</tr>
<tr>
<td>Business, Consumer Services, and Housing</td>
<td>2.6</td>
<td>0.5</td>
<td>-79</td>
</tr>
<tr>
<td>Transportation</td>
<td>0.9</td>
<td>0.1</td>
<td>-94</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>5.7</td>
<td>4.6</td>
<td>-20</td>
</tr>
<tr>
<td>Environmental Protection</td>
<td>0.6</td>
<td>0.4</td>
<td>-33</td>
</tr>
<tr>
<td>Health and Human Services</td>
<td>73.4</td>
<td>75.4</td>
<td>3</td>
</tr>
<tr>
<td>Corrections and Rehabilitation</td>
<td>14.2</td>
<td>13.5</td>
<td>-4</td>
</tr>
<tr>
<td>Education</td>
<td>21.2</td>
<td>21.4</td>
<td>1</td>
</tr>
<tr>
<td>Labor and Workforce Development</td>
<td>0.9</td>
<td>1.2</td>
<td>43</td>
</tr>
<tr>
<td>Government Operations</td>
<td>4.0</td>
<td>2.3</td>
<td>-42</td>
</tr>
<tr>
<td>General Government</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Agency Departments</td>
<td>1.8</td>
<td>1.7</td>
<td>-3</td>
</tr>
<tr>
<td>Tax Relief/Local Government</td>
<td>0.6</td>
<td>0.6</td>
<td>6</td>
</tr>
<tr>
<td>Statewide Expenditures</td>
<td>4.8</td>
<td>5.7</td>
<td>18</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>0.5</td>
<td>0.3</td>
<td>-37</td>
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<tr>
<td>Debt Service</td>
<td>5.8</td>
<td>5.9</td>
<td>2</td>
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<tr>
<td><strong>Non-98 Spending Totals</strong></td>
<td>$146.4</td>
<td>$142.7</td>
<td>-3%</td>
</tr>
<tr>
<td><strong>Proposition 98</strong></td>
<td>$75.6</td>
<td>$80.1</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>222.0</td>
<td>222.8</td>
<td>0%</td>
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*a Reflects General Fund component of the Proposition 98 minimum guarantee.*
## General Fund Spending by Agency Through 2027-28

(In Billions)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative, Executive</td>
<td>$14.1</td>
<td>$6.1</td>
<td>$5.2</td>
<td>$3.1</td>
<td>$2.5</td>
<td>$2.5</td>
<td>-22.0%</td>
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<tr>
<td>Courts</td>
<td>3.5</td>
<td>3.5</td>
<td>3.7</td>
<td>3.8</td>
<td>3.9</td>
<td>4.1</td>
<td>3.5</td>
</tr>
<tr>
<td>Business, Consumer Services, and Housing</td>
<td>3.9</td>
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<td>0.5</td>
<td>0.3</td>
<td>0.3</td>
<td>0.2</td>
<td>-28.8</td>
</tr>
<tr>
<td>Transportation</td>
<td>1.5</td>
<td>0.9</td>
<td>0.1</td>
<td>0.3</td>
<td>0.0</td>
<td>0.0</td>
<td>-17.7</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>13.7</td>
<td>5.7</td>
<td>4.6</td>
<td>4.9</td>
<td>3.5</td>
<td>3.3</td>
<td>-10.9</td>
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<tr>
<td>Environmental Protection</td>
<td>3.9</td>
<td>0.6</td>
<td>0.4</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>-28.0</td>
</tr>
<tr>
<td>Health and Human Services</td>
<td>61.2</td>
<td>73.4</td>
<td>75.4</td>
<td>79.4</td>
<td>84.3</td>
<td>89.9</td>
<td>6.0</td>
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<tr>
<td>Corrections and Rehabilitation</td>
<td>14.8</td>
<td>14.2</td>
<td>13.5</td>
<td>13.1</td>
<td>13.1</td>
<td>13.0</td>
<td>-1.2</td>
</tr>
<tr>
<td>Education</td>
<td>20.0</td>
<td>21.2</td>
<td>21.4</td>
<td>20.3</td>
<td>21.3</td>
<td>22.2</td>
<td>1.2</td>
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<tr>
<td>Labor and Workforce Development</td>
<td>1.3</td>
<td>0.9</td>
<td>1.2</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>-5.5</td>
</tr>
<tr>
<td>Government Operations</td>
<td>5.5</td>
<td>4.0</td>
<td>2.3</td>
<td>3.4</td>
<td>7.0</td>
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<td>52.0</td>
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<tr>
<td>General Government</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Agency Departments</td>
<td>2.3</td>
<td>1.8</td>
<td>1.7</td>
<td>1.8</td>
<td>1.3</td>
<td>1.1</td>
<td>-13.9</td>
</tr>
<tr>
<td>Tax Relief/Local Government</td>
<td>0.7</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.7</td>
<td>3.9</td>
</tr>
<tr>
<td>Statewide Expenditures</td>
<td>1.3</td>
<td>4.8</td>
<td>5.7</td>
<td>6.9</td>
<td>8.2</td>
<td>9.1</td>
<td>16.9</td>
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<tr>
<td>Capital Outlay</td>
<td>3.3</td>
<td>0.5</td>
<td>0.3</td>
<td>0.1</td>
<td>0.1</td>
<td>0.0</td>
<td>-48.3</td>
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<td>Debt Service</td>
<td>5.2</td>
<td>5.8</td>
<td>5.9</td>
<td>5.9</td>
<td>5.9</td>
<td>6.0</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Non-98 Spending Totals</strong></td>
<td><strong>$156.1</strong></td>
<td><strong>$146.4</strong></td>
<td><strong>$142.7</strong></td>
<td><strong>$145.1</strong></td>
<td><strong>$152.9</strong></td>
<td><strong>$161.5</strong></td>
<td><strong>4.2%</strong></td>
</tr>
<tr>
<td><strong>Proposition 98a</strong></td>
<td>$76.2</td>
<td>$75.6</td>
<td>$80.1</td>
<td>$84.5</td>
<td>$87.3</td>
<td>$89.7</td>
<td>3.8%</td>
</tr>
<tr>
<td><strong>Proposition 2 Infrastructure</strong></td>
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<td>$0.2</td>
<td>$0.7</td>
<td>$1.7</td>
<td>$4.8</td>
<td>$5.4</td>
<td>95.7%</td>
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<tr>
<td><strong>Total Forecasted Spending</strong></td>
<td>232.4</td>
<td>222.0</td>
<td>222.8</td>
<td>229.6</td>
<td>240.3</td>
<td>251.2</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

*a Reflects General Fund component of the Proposition 98 minimum guarantee.
*In 2022-23 and 2023-24, amounts are distributed across agencies. In 2024-25 and after, Proposition 2 Infrastructure requirements are assumed to offset existing costs, for example for bond debt service, and so do not result in higher total state costs.
LAO PUBLICATIONS

This report was prepared by Ann Hollingshead, with contributions from Ken Kapphahn and Brian Uhler, as well as others across the office, and reviewed by Edgar Cabral and Carolyn Chu. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.

To request publications call (916) 445-4656. This report and others, as well as an e-mail subscription service, are available on the LAO's website at www.lao.ca.gov. The LAO is located at 925 L Street, Suite 1000, Sacramento, California 95814.
2023 SAN BENITO COUNTY SENIOR FACT SHEET

Population Changes
- Seniors are the fastest growing age group in California and the United States.
  - The 60+ population has grown by over 40% since 2010 in California
  - The population of Californians aged 0-59 has increased less than 1% since 2010
- San Benito Co. has the third highest growth rate (67.2%) for the 65-84 population among all California Counties since 2010\(^1\)
- 242 more seniors in the County were Medi-Cal Eligible last year than the year before
- The over-60 Medi-Cal Eligible in San Benito County population grew 114% since 2011
- 1,000 Californians are turning 65 every day for the next twelve years

Senior Services Funding and the Cost of Long Term Care
- The 2018 average cost of a nursing home in California was over $100,000 per year
- Pre-COVID funding for local Older Americans Act programs has increased 10% in 35 yrs.
- U.S. Inflation since 1984-85 is over 160%
- Baseline Funding for the AAA has 32% of the buying power that it had 40 years ago.
- Successful programs such as Linkages & Alzheimer’s Day Care Resource Centers have been closed

Senior Loneliness & Isolation has been a national crisis BEFORE COVID-19
- Being isolated has the health impact of smoking 15 cigarettes per day
- Senior isolation increases Medicare costs by about $7 billion per year
- Lonely seniors have a 45% increase in their risk of death
- COVID is estimated to have tripled the senior isolation crisis
- Seniors in rural communities are twice as likely to be isolated as their urban counterparts

Seniors and COVID-19
- 65% of ICU beds have been occupied by individuals 61+
- 85% of deaths were individuals aged 61+

Homeless Seniors
- Homeless seniors over age 50 are growing at a faster rate than any other age group
- In the 55+ population, homelessness is identified as a trigger for Mental Health Issues

\(^1\) 2020 U.S. Census Results
2023 SANTA CRUZ COUNTY SENIOR FACT SHEET

Population Changes
- Seniors are the fastest growing age group in California and the United States.
  - The 60+ population has grown by over 40% since 2010 in California
  - The population of Californians aged 0-59 has increased less than 1% since 2010
- The 65-84 population has grown faster (80.9%) in Santa Cruz Co. than anywhere else in California since 2010\(^1\)
- 11,322 of the County's 72,021 seniors are eligible for Medi-Cal
- The over-60 Medi-Cal Eligible population grew 135% since 2011
- 1,000 Californians are turning 65 every day for the next decade

Senior Services Funding and the Cost of Long-Term Care
- The average cost of a nursing home in California is over $100,000 per year
- Pre-COVID funding for local Older Americans Act programs increased 10% in 35 yrs.
- U.S. Inflation since 1984-85 is over 151%
- Baseline Funding for the AAA has 32% of the buying power that it had 40 years ago.
- Meals on Wheels, Tax Counseling for the Elderly, Elderday Care Center, & Ombudsman Nursing/Residential Care Protection all received funding cuts in the 2022 CORE process

Senior Loneliness & isolation has been a national crisis BEFORE COVID-19
- Being isolated has the health impact of smoking 15 cigarettes per day
- Senior isolation increases Medicare costs by about $7 billion per year nationwide
- 14,565 Santa Cruz County older adults live alone (1 in 5).
- Lonely seniors have a 45% increase in their risk of death
- COVID is estimated to have tripled the senior isolation crisis

Seniors and COVID-19
- 65% of ICU beds have been occupied by individuals 61+
- 85% of deaths were individuals aged 61+

Homeless Seniors
- There are twice as many homeless people over age 50 as there are under the age of 25\(^2\)
- In the 55+ population, homelessness is identified as a trigger for Mental Health Issues

---

\(^1\) 2020 U.S. Census Results
\(^2\) Previous Santa Cruz County Homeless Census (current census did not collect this information)
Mr. Clay Kempf
Executive Director
Area Agency On Aging Santa Cruz and San Benito Counties
234 Santa Cruz Ave
Aptos, CA 95003-4438

Dear Mr. Kempf,

Thank you for joining me for my Senior Information Session in Santa Cruz.

I appreciated the opportunity to learn from your expertise and collaborate with you to answer questions and address how the Inflation Reduction Act benefits our community.

Thank you, again, and please contact my office if ever I can be of assistance in the future.

Sincerely,

Jimmy Panetta
United States Representative
19th Congressional District, California
Date: 12-7-23

To: Area Agency on Aging Advisory Council
Seniors Council Board of Directors

From: Clay Kempf, Executive Director

RE: Executive Director Recommendation on Allocation of Remaining ARPA Funds
Update on Remaining Unallocated Nutrition Infrastructure Funding

BACKGROUND
One of the major functions of the of the AAA is the allocation of state and federal funds for direct services, including ourselves but especially local contracted service providers. Our traditional allocations have been augmented during the past couple of years via additional funds we received from expansion of state allocations due to our advocacy efforts and in addressing the release and delivery of services related to COVID-19.

During our October meeting, the Board allocated $30,000 to the Volunteer Center of Santa Cruz County to augment their Home Modification and Repair Program under Title III-B. This service also offers Matter of Balance classes; the combination of the two was part of our greater approach to Falls Prevention. The additional funds support our commitment to falls reduction despite the closing of our own Falls Prevention Program. This brings our total to $828,976 of ARPA funds that have been allocated via earlier staff recommendations and Board Action.

$303,826 of ARPA funds remain under Title III-B Supportive Services - one of the more flexible areas that we have.

The Board also gave direction to explore allocating the majority, if not all, of remaining funds to Emergency Backpacks and related expenses, including shelf-stable meals and other supports related to emergency/disaster preparation. Also under consideration was allocating some funds to our ADRC in San Benito County; to Information & Assistance expansions, either in-house or via contracted providers.
DISCUSSION
After exploring the options previously mentioned, staff is recommending 100% of the remaining funds be used for the purchase of Emergency Kit Backpacks, augmented by shelf-stable meal kits with each pack. The exact number of backpacks will be dependent on final price, but we are estimating a total in the neighborhood of 2,500 backpacks, and meal kits of perhaps twice that number. Both County Offices of Emergency Services have been consulted on this idea and are supportive of our efforts, and have offered to help with the project and provide additional training to seniors regarding emergency preparation.

The backpacks will be distributed through our network of contracted service providers and other related organizations. We are polling our partners to see how many backpacks they can distribute and/or store at their facilities, after which we will arrange for purchase and delivery.

Other Considerations: These funds expire and are not ongoing. As a result, staff are not recommending new services, and our recommendations focus on augmenting existing programs. Direct services offered by the Seniors Council also fall under this category.

ARPA funds need to be expended by September 30, 2024. We are allocating these funds for the current Fiscal Year, and prefer them to be spent by June 30, 2024. Funds allocated to outside organizations that are unspent by June 30, 2024 will require a new contract, but not additional Board action.

STAFF RECOMMENDATION/BOARD ACTION
Staff recommends the Board of Directors approve the allocation of all remaining ARPA funds ($303,826) for the purchase and distribution of Emergency Kit Backpacks, augmented by shelf-stable meal kits with each pack. Target allocations will be $83,456.50 for San Benito County residents, and $220,369.50 for those living in Santa Cruz County. Final figures will vary slightly due to the rounding of individual backpack costs.
The Master Plan for Aging
LOCAL PLAYBOOK
Taking Action to Build Californian Communities for All Ages

CALIFORNIA'S MASTER PLAN FOR AGING
FIVE BOLD GOALS (and 23 Strategies)

- Housing for All Ages & Stages
- Health Reimagined
- Inclusion & Equity, Not Isolation
- Caregiving that Works
- Affording Aging
WELCOME TO THE MPA LOCAL PLAYBOOK
Resources to Assist You in Taking Action in Your Community

The MPA Local Playbook is designed to assist state and local government, communities, and private and philanthropic organizations in building environments that promote an age-friendly and disability-friendly communities.

There are seven “plays” outlined, each with recommended resources and models for you to consult during your project planning, implementation, and evaluation.

The resources in this Playbook, and more, can be found at MPA.aging.ca.gov.

THE MPA LOCAL PLAYBOOK
Seven Plays to Build Communities for All Ages

PLAY ONE: Engage Your Local Leaders
PLAY TWO: Explore Local Data
PLAY THREE: Review Existing Local Aging Models
PLAY FOUR: Select Your MPA Initiatives for Implementation
PLAY FIVE: Build Your Action Plan
PLAY SIX: Evaluate Your Initiative
PLAY SEVEN: Stay Connected
BUILDING OUR LOCAL PLAYBOOK
A Solutions Summit

- Gather local officials, electeds, providers of service, funders, policy makers, commissioners, movers and shakers, and experts in the field at the city and county level.
- Brainstorm potential solutions within each of the Five Bold Goals of the MPA
- Form follow-up workgroups to develop implementation strategies and expand partnerships for the ideas generated during the summit.
- Target Dates for Summit – May 2024 – Older Americans Month

Age-Friendly Communities Planning Tools & Resources
City of Santa Cruz, Watsonville & Santa Cruz County

The Seniors Council/AAA Advisory Council Initiated local Age-Friendly Communities Efforts in 2019

- AARP: How to Make a Community Action Plan
- AARP: 8 Domains of Livable Communities
- AARP: Community Listening Session Guide
- WHO’s Essentials of Age-Friendly Cities
- Grantmakers in Aging: Guiding Principles for the Sustainability of Age-Friendly Community Efforts
- Making Your Community Livable for All Ages
LEARN MORE ABOUT THE MPA
@ MPA.aging.ca.gov
Send questions and comments to EngAGE@aging.ca.gov

Stay in Touch with the Seniors Council

www.seniorscouncil.org
Date: 12-8-23

To: Area Agency on Aging Advisory Council
Seniors Council Board of Directors

From: Clay Kempf, Executive Director

RE: Advocacy Committee Report

Our Advocacy Committee continues to focus its efforts on elevating the investment in older adults, with a strong emphasis on communication and education. Key topics and strategies include:

A. Addressing CORE Funding Reform and Impacts of CORE Funding cuts
B. Live Oak Senior Center
C. Board of Supervisors Candidate Forums
D. Solutions Summits
E. Sharing of Facts about Seniors & Senior Funding Trends

California’s Master Plan for Aging is an overarching theme that influences all of these discussions and efforts.

CORE Funding – The elimination of Santa Cruz County/City funding for our local Ombudsman Program has reached the critical level. The AAA and the County of Santa Cruz provided some one-time only funds to mitigate the revenue loss, but the long term impact makes the program unsustainable as we know it. The California Department of Aging is concerned about the program viability and is now regularly meeting with the AAA and pressuring us to decertify the existing Advocacy Inc. model and finding a new provider or operating the program directly. Baseline funding is approximately $170,000 per year; woefully inadequate to serve two counties and monitor the 59 care facilities in our area.

The impact of these cuts is a perfect example of unintended consequences that can and do occur when a funding mechanism looks only at process and not impacts. We have been pleading with jurisdictions using the CORE model to review not just who is being
awarded funding, but also who is having their funding reduced or discontinued BEFORE taking action.

CORE consultants agreed to a listening session with our local network of aging & disability service providers, and a variety of recommendations were shared during that discussion. The main points were encouraging the purpose of CORE to be revisited and re-focus on supporting a local social service safety net; at making funding sustainable for agencies meeting their safety net goals, and setting some priorities within CORE regarding life-sustaining or life-improving programs rather than studies or celebration/fun outings. Concern was also expressed over wholesale reduction of funding to mandated programs, and to both senior and child day care.

**Live Oak Senior Center** – The battle to save the Live Oak Senior Center from destruction continues, with some encouraging turns of events recently taking place. Contract extensions for Senior Network Services and Community Bridges have not been executed, but the school district is not taking current action on their previous eviction notices, which is encouraging. The proposed lease renewals from the school district presented impossible terms; counter offers by the tenants were partially embraced, and hold the potential for future signings.

Our Advisory Council submitted a letter of concern to the School Board, as did Supervisor Manu Koenig, both of which seemed to have a positive impact on our case. The School Board now only discusses this issue in closed sessions, so none of the tenants or senior representatives are present for those conversations, but School Board President Kristin Pfotenhauer has shared that the Board is now open to selling the property to avoid the public conflict that would be created by bulldozing the Senior Center and the Senior Center Annex. Conversations have begun over how a purchase might be accomplished and who would be most appropriate to make the purchase.

**Candidate Forum(s)** – We are looking to hold several Board of Supervisor Candidate Forums in partnership with local senior centers or other groups. In our new model, we are offering to provide the structural support and operation (flyers, scheduling, forum moderation, etc.) for each forum while asking the partner entity to provide a facility, recruit audience members and generally promote the event to the public. We’re hoping this new model produces more participation and streamlined operations for both ourselves and our partners.

**Solutions Summits** – Spring of 2024 is our targeted dates for convening Solutions Summits in both Santa Cruz & San Benito Counties as part of our Master Plan for Aging grant with the California Department of Aging. We’ll be forming a Planning Committee in the coming months to lead this effort and help convene the event.
Sharing of Facts about Seniors & Senior Funding Trends: This effort is truly shared among all of our partners in aging, and is a matter of sharing pertinent information on a variety of topics with audiences ranging for newspaper publications to radio shows to public forums. For example, in the past month Bruce McPherson and Alicia Morales of Santa Cruz County appeared on Bill Proulx’s hour-long weekly radio show to discuss California’s Master Plan for Aging and the efforts that those of us in Santa Cruz County are undertaking to realize some of its goals. Bill Proulx’s regular job is our local HICAP Director, so he is extremely well-versed in issues about aging, and he invited me to join him in a second discussion about Master Plan. Bill’s show highlights aging topics each week.

Information in our 2023 Senior Fact Sheets are often cited by reporters addressing senior topics and are once again included in this month’s packets.
Date: 12-8-23

To: Area Agency on Aging Advisory Council
Seniors Council Board of Directors

From: Clay Kempf, Executive Director

RE: Executive Directors December Report

AGENCY OPERATIONS
Ed Santana’s returning from Paternity Leave, combined with the addition of new Project SCOUT Program Specialist Virginia Reyes (Vikki) brings us back to being fully staffed. It’s great having Eddie back, and having Zach on board allowed us to successfully recruit and hire Vikki in a timely manner.

You might notice that this report features a revised version of our letterhead, adding our San Benito County Aging & Disability Resource Center as a formal program of the Seniors Council. The ADRC replaces the space previously featuring our now-closed, Falls Prevention Program. Unless the Board or Advisory Council express concern, we’ll be adopting this new letterhead version for the bulk of our correspondence.

FALLS PREVENTION PROGRAM CLOSURE
Our Falls Prevention Program officially closed on November 30, 20023. The majority of our former clients are continuing with their devices under the operations of a new provider, Assured Independence. Assured Independence is using the same Medical Guardian equipment as we did. Our MSSP (Multi-Purpose Senior Services Program) participants have switched to a different product and service provider. Those changes are being facilitated by MSSP social workers, with some exchange with our agency.

Our thanks go to Gus Ceballos for running the program for us since our merger, and to former CFL Board President (and Seniors Council Board member) Barbara Canfield. Barbara initiated the program returning to the Senior Council when its ability to operate independently became a challenge. Thousands of seniors received the benefits of the PERS devices and our Matter of Balance classes. Clearly, the program had a significant positive influence on older adults, their family members, and our community.

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PHONE: AAA – (831) 688-0400 • FG/SCP – (831) 475-0316 • SCOUT – 1-877-373-8297 • FAX: (831) 688-1225
SUPPORTED BY FEDERAL, STATE & LOCAL GOVERNMENTS, PRIVATE FOUNDATIONS, THE UNITED WAY, AND YOUR PERSONAL DONATIONS
**MASTER PLAN FOR AGING (MPA)**
Our Local Aging and Disability Action Planning Grant continues to loom large in our planning activities for developing local playbooks for MPA implementation. At the forefront of the grant effort will be holding Solutions Summits in each of our counties, with the breakout and workgroups focusing on the five goals of the MPA. We’re targeting May of 2024 – Older Americans Month - for these events.

Much of today’s meeting focuses on the development of a Local Playbook for the Master Plan on Aging, and on setting the stage for our Solutions Summit as a driving force behind that plan development and implementation.

The Master Plan for Aging Stakeholder Advisory Committee continues to meet regularly via Zoom to address new and emerging ideas and resources for the Master Plan implementation. Yesterday’s discussion included a quick review of California’s latest budget report (included in our packets) from the Legislative Analyst’s Office. The discussion was typical of the dilemma the MPA folks face, as well as the same one we frequently have at the local level: How do we expand programs in the face of shrinking revenue?

Meanwhile, two needs assessments continue. Our traditional AAA needs assessment via a statewide effort facilitated by the California Department of Aging has been completed and results sent to us. Patty Talbott, Pam Arnsberger and I are trying to review the results and figure out a way to best share and utilize them, but manipulating the data and analyzing the findings is proving to be awkward.

The County of Santa Cruz effort to conduct their own needs assessment is coming closer to mirroring our own previous surveys, and hopefully will fill in some of the gaps from CDA survey. The County effort includes several meetings per month with the consultant, that we try to attend, and involves the creation of a separate steering committee that will also meet on a regular basis. The County is planning on using their survey as the vehicle to move local Age-Friendly Communities forward.

Gary Byrne, Executive Director of the Community Foundation for San Benito County (CFFSBC) and I continue to discuss our mutual goals in addressing the needs of older adults in San Benito County. Gary will be with us to kick off our panel discussion and energize the room with his never-ending enthusiasm.

**STATE & COMMUNITY ACTIVITIES**
Earlier this week I was invited to make a presentation before the *San Benito County Inter-govermental Committee* to present information on the Master Plan for Aging, and our efforts to develop a local playbook for the MPA. The presentation was well-received. Especially noteworthy to me is that four of the six members present were
already well-versed in both topics; a strong sign that interest in older adults has grown tremendously in recent years, and our elected officials are giving much more than lip service to the topic.

Our Ombudsman Program, operated by Advocacy Inc. is struggling to survive, as mentioned in the Advocacy Committee report, and much discussion is underway about how to address those challenges. Predictably, lack of operational resources are at the heart of the problem. Wayne Norton’s vast experience as a paid Ombudsman and Ombudsman Coordinator is extremely helpful in these discussions and he and I are working closely together to develop our strategies and responses. Senior Network Services and Advocacy Inc. staff are also part of our team working on these services.

Status of our Ombudsman Program, and the ongoing Live Oak Senior Center are perhaps our two biggest local crises for Older Adults, assuming we ignore the huge challenge of the record-setting growth of our local population of older adults and the lack of affordability of living where we do.