

AGN. NO. _____

REVISED MOTION BY SUPERVISORS LINDSEY P. HORVATH

May 5, 2026

AND JANICE HAHN

Advocacy on SB 1249 Intrastate Funding Formula

California is undergoing a historic demographic shift, with older adults representing a rapidly growing and increasingly diverse share of the population. The Mello-Granlund Older Californians Act establishes the California Department of Aging (CDA) and directs it to lead Area Agencies on Aging (AAAs) in developing home- and community-based services that help older adults remain in their homes or the least restrictive environments.

SB 1249 (Roth 2024) modernized this framework by updating legislative findings, revising terminology, and initiating a comprehensive reform of AAA functions. The bill requires CDA, by September 30, 2026, to identify core programs and services for older adults and family caregivers, develop a statewide consumer engagement plan, and adopt regulations governing AAA designation, informed by validated data sources, including federal census data.

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As part of SB 1249 implementation, CDA is proposing updates to the Intrastate Funding Formula (IFF), the methodology used to distribute federal and state Older Americans Act (OAA) and related funding across California's 33 Planning and Service Areas (PSAs) and their corresponding Area Agencies on Aging. Once finalized by CDA, the IFF must be submitted to and approved by the federal Administration for Community Living (ACL) prior to implementation.

As CDA advances this process, it is critical that the IFF accurately reflects both population need and the realities of service delivery across California's diverse regions.

Preliminary analysis of the proposed IFF indicates that the model, as currently structured, results in significant redistribution of funding across the state. Based on available data, over \$14 million is reallocated away from certain Planning and Service Areas, with Los Angeles County alone experiencing an estimated reduction of approximately \$5.9 million (17.6%) annually.

For Los Angeles County, this level of reduction would have direct and immediate implications across most core programs funded through the Area Agency on Aging network, including elderly nutrition services, caregiver support, information and assistance, disease prevention, and supportive services. A 17% reduction across programs would result in fewer meals served, reduced caregiver support, decreased access to services, and increased unmet need among older adults and people with disabilities.

Los Angeles County serves approximately one-quarter of California's older adult population and represents a significant share of statewide need across key indicators,

including low-income older adults, individuals with disabilities, and racially and ethnically diverse populations. These demographic realities underscore the importance of ensuring that funding methodologies accurately reflect both the scale and complexity of service delivery in high-need regions.

While the Board of Supervisors supports the goal of improving equity and ensuring adequate investment in historically under-resourced regions, the magnitude and concentration of these shifts raise concerns regarding the stability of core programs statewide. Given that the total funding allocation remains fixed, these changes represent a redistribution of existing resources rather than an expansion of statewide investment.

The sensitivity of outcomes to factor weighting suggests that the current formula would benefit from additional calibration prior to adoption. Ensuring that the model is both equitable and operationally sustainable requires validation that outcomes align with real-world service demand and delivery capacity.

I-WE, THEREFORE, MOVE that the Board of Supervisors:

1. Direct the Chief Executive Officer Legislative Affairs and Intergovernmental Relations (CEO-LAIR) branch to send a five-signature letter to the California Department of Aging and with a copy to the Los Angeles County State Delegation opposing the proposed changes for the interstate funding formula, expressing the significant harm that it would cause to Los Angeles County, the region, and its residents, requesting a temporary pause in the adoption of the proposed Intrastate Funding Formula (IFF), prior to submission to the Administration for Community Living (ACL), to allow for targeted refinement and validation of the model.

2. Direct AD, in consultation with County Counsel, to draft and submit a comprehensive County response opposing the proposed regulations, to be submitted during the public comment period that:
 - Supports the goals of equity and modernization under SB 1249
 - Identifies the projected programmatic impacts to Los Angeles County residents
 - Recommends targeted refinements, including scenario testing of factor weights and sensitivity analysis, to ensure the formula aligns with service delivery realities
3. Direct AD to report back to the Board within 30 days with a detailed analysis of programmatic impacts, including:
 - Estimated reductions in meals and nutrition services
 - Number of older adults and caregivers potentially impacted
 - Impacts across all AAA-funded core programs
4. Instruct County Counsel to monitor potential legal challenges related to the proposed formula and, in consultation with AD, file and/or join in as amicus or as plaintiff in litigation, as deemed appropriate by County Counsel.
5. Direct CEO-LAIR to advocate for proposals to ensure that improvements to the IFF do not result in net reductions to high-need regions and to support a more balanced and sustainable statewide funding approach.

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