AGN. NO. ____

MOTION BY SUPERVISORS LINDSEY P. HORVATH AND JANICE HAHN

September 15, 2026

Los Angeles County's Aging and Disabilities Analysis of California's Intrastate Funding Formula Modernization

On May 5, 2026, the Board (Board) of Supervisors adopted the motion, *Advocacy on SB 1249 Intrastate Funding Formula*, directing the Aging and Disabilities Department (AD) to work with Chief Executive Office Legislative Affairs and Intergovernmental Relations (CEO-LAIR) to formally oppose the California Department of Aging (CDA)'s proposed Intrastate Funding Formula (IFF). In turn, a unified opposition letter that requested a pause in the formula's adoption and outlined potential service impacts was sent. Since then, CDA has continued to develop and refine the proposed IFF.

As the County moves forward in evaluating the proposed IFF, it is important to place this work in context. The Mello-Granlund Older Californians Act established CDA and the statewide aging network, including Area Agencies on Aging (AAAs), to plan,

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coordinate, and support home- and community-based services that help older adults and family caregivers remain in their communities. SB 1249 (Roth, 2024) requires CDA to update California's IFF, which distributes certain Older Americans Act (OAA), Older Californians Act, and related funds among California’s 33 Planning and Service Areas (PSAs). CDA reports that the existing IFF has not been updated in more than 30 years. Los Angeles County supports modernization of the IFF; however, modernization should not replace an outdated formula with a new methodology that has not been sufficiently validated against actual population need, service demand, administrative capacity, and the consequences of redistributing a fixed statewide funding pool.

CDA’s May 27, 2026, Frequently Asked Questions document identifies five proposed factors, each weighted at 20 percent: 60+ population, 60+ low income, 60+ racial/ethnic minority, 60+ disability, and 60+ geographic isolation. The County agrees that geographic isolation is a legitimate consideration; however, the policy question is whether geographic isolation should receive the same weight as overall population, poverty, disability, and minority status. CDA’s materials explain the selection of the factors but do not demonstrate how equal weighting would best align the formula with differences in population scale, economic need, and service demand.

CDA highlights percentage growth in the older-adult population as evidence of demographic change. While percentage growth is a valid measure of rate of change, it does not reflect the number of additional older adults who may require services. A small jurisdiction can experience a large percentage increase from a small baseline while adding far fewer older adults than a large urban jurisdiction with a lower percentage growth rate.

Los Angeles County (County) is projected to add approximately 2.29 million adults age 60 and older between 1980 and 2060, which is about 22.2 percent of California's total numerical increase over that period and the largest absolute increase among California counties. An equitable IFF should consider both relative demographic change and the absolute number of older adults, particularly those with the greatest economic and social need.

The County's Version 3 analysis shows that PSA 19's current program allocation of approximately $31.45 million would fall to approximately $28.66 million under CDA's Version 3, a reduction of about $2.80 million, or 8.9 percent. Under the County's recommended 25/25/20/20/10 weighting model, projected program funding is approximately $31.25 million, substantially mitigating the Version 3 reduction while still assigning a meaningful 10-percent weight to geographic isolation.

The County's recommended weights are:

- 25 percent 60+ population
- 25 percent 60+ low income
- 20 percent 60+ racial/ethnic minority
- 20 percent 60+ disability
- 10 percent 60+ geographic isolation

This approach recognizes rural access barriers while increasing emphasis on population scale and economic need.

CDA proposes a Fiscal Year 2021–22 hold-harmless baseline and a two-year phase-in beginning July 1, 2029, with full implementation on July 1, 2031. A 2021–22 baseline would freeze protections at funding levels established years before implementation and before the current Area Plan cycle and current service capacity. The County recommends using Fiscal Year 2024–25 as the hold-harmless baseline and establishing a clearly defined five-year phase-in for any reductions, with annual impact reviews and authority to pause further reductions when service continuity would be jeopardized.

Administrative funding also requires focused attention. CDA proposes a fixed $250,000 annual administrative base for each AAA, with remaining administrative funds allocated separately from the program formula. This amount was identified through stakeholder consensus rather than a statewide cost-of-administration study. A fixed base does not account for differences in population served, contract complexity, monitoring responsibilities, language access needs, fiscal oversight requirements, emergency coordination, and other statutory duties.

Therefore, the County should advocate for a transparent administrative funding methodology that establishes a statewide minimum base of no less than $500,000 per AAA, validated through a comprehensive cost study, and supplements it with a scalable allocation reflecting population, workload, linguistic and system complexity, and other documented operating costs. The cost study should be completed before full implementation but should not delay establishment of an adequate interim minimum.

Previously, CEO-LAIR's primary State legislative focus had been on AB 218 reform. Given recent legislative developments related to AB 218 and the State Legislature being out of session, there is now capacity to engage in this advocacy effort. CDA is accepting public comment on the proposed IFF through September 21, 2026, creating a time-sensitive opportunity for the County to submit its analysis and recommendations.

WE, THEREFORE, MOVE, that the Board of Supervisors suspend Section 22.1 of the Rules of the Board for the limited purpose of considering this motion; and

WE, FURTHER, MOVE, that the Board of Supervisors:

1. Direct Chief Executive Officer Legislative Affairs and Intergovernmental Relations (CEO-LAIR) branch to send a five-signature letter to the California Department of Aging (CDA), with copies to the Los Angeles County State Legislative Delegation, the Director of the California Department of Finance, the Senate President pro Tempore, and the Assembly Speaker, opposing the proposed changes to the Intrastate Funding Formula (IFF); 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 IFF, prior to submission to the Administration for Community Living (ACL), to allow for targeted refinement and validation of the model. The letter should advocate for an IFF weighting methodology of 25 percent 60+ population, 25 percent 60+ low income, 20 percent 60+ racial/ethnic minority, 20 percent 60+ disability, and 10 percent 60+ geographic isolation, and request that CDA publish the fiscal impact of this

alternative for all 33 Planning and Service Areas (PSAs) together with reasonable alternative scenarios before final adoption.

2. Direct AD to include in Los Angeles County's (County) formal public comments a request that CDA evaluate demographic change using both percentage growth and absolute numerical growth in adults age 60 and older and demonstrate how the selected factor weights align with actual service demand and the OAA requirement to target populations with the greatest economic and social need;
3. Direct CEO-LAIR to advocate for proposals that secure the strongest possible outcome for the County, work to minimize any potential funding reductions for high-need regions, and support a balanced and sustainable statewide funding approach.
4. Direct AD to request that CDA evaluate whether reducing the current formula from seven factors to five equally weighted factors adequately balances rural access needs with population scale and other indicators of greatest economic and social need; and, if necessary, model additional need-based factors or structural mechanisms, including social isolation/living alone, without using such modeling to delay consideration of the County's 25/25/20/20/10 recommendation;
5. Direct AD to coordinate with county-operated AAAs, California Association of Area Agencies on Aging (C4A), large urban PSAs, rural county partners, service providers, and aging and disability advocates to advance a statewide administrative funding solution and an equitable IFF that does not frame the issue as urban versus rural.

6. Direct AD to transmit the County's final public comments and supporting demographic and fiscal analyses for inclusion in the administrative record, no later than September 21, 2026, and, as appropriate, the materials submitted by CDA to ACL; and direct AD to report back to the Board within 60 days on CDA's response, legislative developments, revised modeling, and anticipated impacts on PSA 19 and the County's contracted provider network.

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