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### Testimony on the Impact of Federal Human Services Cutbacks on the Disabled

January 18, 1982

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### Testimony on the Impact of Federal Human Services Cutbacks on the Disabled for the House of Representatives Ways and Means Committee Hearing January 18, 1982, Sacramento, California

There is an atmosphere of fear and depression taking hold of the disabled poor in California. This population is totally dependent on IHSS, SSI, Medi-Cal and a broad range of state, county and city services in order to live in the community, free of institutionalization. Even prior to the recent cutbacks, the ability of the disabled poor to survive on their own has been tenuous; but over the last six months, it has become evident that this population is unable to cope with the service cutbacks and the closing of neighborhood offices that is now taking place. The situation will become even more serious in January 1982 when this population is hit by two waves of IHSS cutbacks (Title XX).

The role played by federal cutbacks in this worsening situation is only beginning to come clear as federal funding decisions trickle down to the local level. There are service cuts appearing everywhere. Government programs of all kinds - emergency care, mental health, welfare - are beginning to show the effect of shrinking funds. The worst hit seem to be the private nonprofit organizations that in many cases provide critical life-sustaining services to the poor and disabled. These programs had developed over the last 5-10 years with a broad range of government funding, including CETA, Rehabilitation, Community Services Administration, Office of Economic Opportunity, Legal Aid, Alcohol and Drug Abuse and others, and now much of that funding has been reduced or totally eliminated. At the same time these private non-profit organizations are being called on for more services and emergency assistance by people who believe that they have nowhere else to go.

From our recent survey of community service programs for the disabled, we have learned that the segment of the population hardest hit are, indeed, the truly needy - people who are not skilled at advocating on their own behalf, who have no resources to fall back on and who are convinced that the situation is going to get worse. These people are fearful for their ability to survive.

### Impact of Federal Cutbacks in Vocational Rehabilitation, Developmental Disabilities and Special Education

As Congress deliberated funding levels for FY 81 and 82, it resisted major cutbacks in the three federal programs specifically directed towards persons with disabilities: Vocational Rehabilitation, Developmental

Disabilities and Special Education. That is not to say that these programs did not get cut at all, but that the cuts were limited to special programs (such as the SSA reimbursement to Vocational Rehabilitation for services to SSI and SSDI recipients) and the elimination of increases to keep pace with inflation. Despite Administration pressure, the core services of the three programs remained intact.

As a result, persons who were being served by these programs were not adversely affected. In many cases, the nature of the service was changed (reliance on less costly training programs, use of similar benefits, substitution of "adequate" services for more costly "ideal" services, etc.) but people have not been cut off. The impact, will be felt by those people who need services but who are not yet in the system.

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When the Reagan Administration pressed for an allocation level of \$614.5 M. for Vocational Rehabilitation in October 1981 (rather than the \$854 M. in the continuing resolution), we determined that the lower amount would only enable us to maintain services to current clients, and only when a client completed his rehabilitation plan and went to work, could we add a new client. Fortunately, this has not happened and in California we are continuing to add new clients but, because of inflation and funding shortfalls, at a reduced level than last year.

Similar situations are occurring in Developmental Disabilities and Special Education; people are not being dropped from service rolls as far as we can tell, but we are all worrying about the people who are not even beginning to be served.

## **Impact of Federal Cutbacks in Title XX**

The situation is far different in federally funded services for the poor, and particularly in Title XX which, in California, funds the In-Home Supportive Services Program (IHSS).

There are over 100,000 persons in California who depend on IHSS funded services to live on their own or in board and care facilities. One-third of these people are severely disabled, all of them are poor. Recent federal cutbacks in Title XX will mean a reduction of services to 99% of these people and many will lose up to 50% of benefits.

The 1980 cuts in Title XX (the 1980 Omnibus Reconciliation Bill) are only now filtering down to the people who depend on it for services. In mid-year the California Legislature passed S.633 which determined how the \$28 M. cut would be implemented. This act was held up by the courts until recipients had adequate notice and opportunity to appeal. In January 1982, the recipients will actually begin to lose benefits.

The intent of S.633 is to reduce the costs of the IHSS program without necessitating institutionalization of its recipients. However, there is a danger that this will not be the case, since the cutbacks significantly reduce the amount of money available to recipients to pay for meal preparation, feeding and clean-up, domestic chores, and help with getting in and out of bed. The Western Law Center for the Handicapped, L.A., has already informed us of the adverse impact on the disabled. The Center has information on suicide attempts, people moving into board and care facilities, and board and care facilities threatened with closure because of reduced IHSS benefits. We will only begin to know the full impact of these cuts in the next few months as they are implemented by counties. In addition, some counties are finding that the reductions originally announced as a result of S.633 are not sufficient, and they are already mailing notices of a second wave of benefit reductions which will take effect shortly.

## **Other Cutbacks**

In addition to the actual dollar reductions for Title XX, Rehabilitation, and others, human service agencies are getting the clear message from state and federal governments that costs must be reduced. This is being

accomplished by a significant reduction of staff and branch offices, and the tightening of eligibility and service determinations. The impact on the disabled is two-fold.

The disabled poor have great difficulty adapting to a reduction or delay in a service that is life-sustaining. Take medical transportation for an example.

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In Los Angeles, as in other cities, this service has been available from a variety of sources. In an effort to cut costs and streamline programs, the agencies involved (Medi-Cal, IHSS, local hospital, specialized transportation service, etc.) have all cut corners and either changed eligibility requirements or reduced the level of service. Where does this leave the disabled person? We have been told, for example, that one agency will deliver you to the hospital but not back to your home (you are no longer "sick"), another will transport you but not your attendant (regardless of need) and a third no longer serves clients one day a week. I don't doubt that, on paper, medical service is still available in Los Angeles to all who need it and qualify for it, but I am certain of the increased difficulty and risk faced by the disabled individual who needs medical attention in a hurry.

The tightening of eligibility requirements is more insidious in its impact on the disabled. We are told that some Social Security offices are verbally discouraging people from applying for SSI benefits, and that Medi-Cal initially is disallowing some expenditures that were common in the past. In both these circumstances, the disabled person does still eventually get what he needs if he is eligible and if he expends the time and energy to aggressively advocate on his own behalf. The problem for the disabled person and the benefit for SSI and Medi-Cal is the delay in the expenditure of funds - a delay that could add up to several months and, in the case of SSI, a savings of approximately \$300 a month per client (the difference between an SSI monthly benefit and general welfare assistance. This is a way of cutting costs by allowing people to fall through the cracks. It's a particularly onerous solution and one that will be more costly in the long run as the needy individual's circumstance becomes increasingly more critical.

## **Overall Impact on Community Service Programs for the Disabled**

In California, we are fortunate to have a network of independent living programs (ILP's) that provide referral and information and a wide range of services for people with disabilities living in the community. These programs are designed to prevent people from falling through the cracks in our human services system. For many severely disabled people, ILP's are the last resource prior to institutionalization. In the last six months, California's ILP's have sustained major cutbacks in funding and, at the same time, steadily increasing demands for services.

The following are examples of the problems identified by Independent Living Programs:

Because of the great increase in demand, the ILP's, which normally respond the same day to a request for assistance, are now experiencing a week to two weeks delay in their ability to respond.

One independent living center reports that calls for transportation assistance have risen from 300 to 800 a week. Among requests are people needing transportation for urgent and emergency medical care.

There is now only one community service program providing job development assistance for the disabled in the Bay Area. Two East Bay programs specializing in job development services for deaf clients have closed, as have programs in San Francisco.

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Throughout the state, neighborhood health clinics are closing, and disabled are unable to identify where to go or how to get there.

In Los Angeles, four legal service centers have closed since July. Southeast Los Angeles has no legal aid for the poor.

Police departments have begun to complain to ILP's that they are getting an increased number of emergency requests from disabled people and they are inadequately prepared to respond.

One independent living program has lost a total \$430,000 in 1982 budget as a result of recent federal, state and local cutbacks. The loss in funds has meant a severe reduction in staff at a time when requests are increasing.

Independent living programs are receiving so many requests for assistance from individuals who are having difficulty with SSI and IHSS, that the situation is reaching crisis proportions. The ILP's are convinced that almost all of these benefit disagreements would be resolved favorably on behalf of the client if appealed.

Counties that had used revenue sharing funds to support community services for the disabled are beginning to discontinue funding. Alameda County, which had one of the largest disabled services budgets, has just informed community programs that the funding may be discontinued as of February 15.

## **Conclusion**

Because of the need to relieve the current and projected federal budget deficit and the public concern of fraud and abuse in the human services system, we are seeing this system constrict quickly and tightly in a few months time. As this happens, the truly needy are being squeezed out and they are no place to go but the streets.

As one independent living program told us, "People are getting freaky. Especially those whose circumstance is marginal. These people are only beginning to take control of their own lives and, for one reason or another, the safety net is being pulled out from under them."

A recent example from the Bay Area: a disabled woman finally gets a handle on her benefits (SSI & IHSS) and moves from a board and care home into a hotel while she arranges for an apartment of her own. At the last minute, there is some question about her SSI, her check is delayed, and the hotel kicks her out. She attempts suicide. An independent living program responds to her emergency, helps her get back into a board and care home and begins to resolve her SSI problems. She is too discouraged to even consider another try at independence.

There is a fundamental difference between the information you will receive from a government agency that is adjusting to funding cutbacks and the people in the community who are feeling its effects. As a Director of a state agency for rehabilitation, I must report to you that our agency is managing to reduce its costs per client and that we are continuing to provide a high quality service.

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I also know that other government agencies are making every effort to minimize the deleterious effects to the individual of necessary service cutbacks. But a human services system can look as though it works on paper and then not work in the community. That's what I fear is happening.

The truly needy in our society are the people who, for one reason or another, have great difficulty adapting to change. They have no resources other than the services and benefits that they have depended on. They have difficulty making the system work for them. They are not advocates and, in many cases, they don't believe in their "right" to survive. They simply have basic irrefutable needs.

The speed with which our system is attempting to deal with very massive cutbacks is a tremendous problem. Services and benefits are being cut from all direction. It's going to take months and even years to identify the

gaps in our system and to figure out how to fill them. Mean while there are many truly needy people who will suffer.

BY EDWARD V. ROBERTS, DIRECTOR  
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