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PRESS RELEASE

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Governor Proposes Further Dismantling of the Public's Safety Net

Proposed Cuts Jeopardize Health and Safety, Delay Economic Recovery and Risk the Loss of Billions of Dollars in Federal Assistance

Governor Schwarzenegger today proposed elimination of programs and reductions in services used by millions of Californians. These proposals come on top of draconian cuts to health and human service programs in 2009. If approved, the Governor's proposals would undo decades of investment by the people of California in helping families and individuals exactly when they are more needed than ever. The Western Center on Law and Poverty (WCLP) is calling on the Legislature to reject the Governor's proposals and to work closely with Congress and the Obama Administration to maintain these vital programs.

Below are the safety-net cuts proposed by the Governor's January Budget, including the additional "Trigger" Cuts proposed if the additional \$6.9 billion in federal support is not realized by July 2010.

California Work Opportunity & Responsibility to Kids (CalWORKs)

\$269 Million in cuts to low-income children and their families:

- A 15.7 percent cut to CalWORKs grants
This will cut the maximum grant for a family of three from \$694 a month to \$586 a month, a \$109 a month cut
- Reduction in rate paid to child care providers to the 75th percentile
- \$123 million cut to Stage 3 child care impacting 30% of Stage 3 Kids
- Elimination of Recent Non-Citizen Entrants Program, estimated 24,000 people

Food Assistance Programs

\$ 56.2 Million in cuts to low-income children and their families by:

- Elimination of California Food Assistance Program (CFAP)

Supplemental Security Income (SSI) Programs

\$366 Million in cuts to low-income seniors and disabled people by:

- \$15 a month reduction in SSI grants for individuals. This will reduce the grant from \$845 a month to \$830 a month. This would drop California to the federal minimum and would be the fourth cut in a year for SSI recipients.
- Elimination of Cash Assistance Program For Immigrants (CAPI) Program

In-Home Supportive Service (IHSS)

\$950 million in cuts in care for disabled and elderly by:

- Elimination of IHSS except for persons with highest needs
- Reduction in state contribution to IHSS wage

Medi-Cal and other Health Care Programs

Over \$1 billion in proposed cuts to health care programs:

- Restricting Access to Services and Imposing Cost-Sharing – a \$750 million cut
- Eliminating the Adult Day Healthcare Program
- Drastically reducing health benefits for some legal immigrants
- Rolling back eligibility for the Healthy Families Program from \$47,000 to \$36,620 per year for a family of three, terminating more than 200,000
- Cutting back services and increasing premiums for Healthy Families

Special Session Cuts

The Governor has called for a new special session to bring the 2009-10 budget into balance. The Governor proposes \$6.6 billion in cuts to take effect June 1, 2010 including:

Health Care Services

- Reduce benefits for recent immigrants, eliminate Adult Day Health Care, defer institutional provider payments, and rescind a statutory family planning rate increase
- Establish limits on benefits, expand cost sharing requirements, and implement other programmatic changes
- California Children's Services-Reducing Healthy Families Eligibility to 200 percent FPL

Managed Risk Medical Insurance Board

- Reduce Healthy Families Eligibility from 250 to 200 Percent of Poverty
- Eliminate Vision Benefit from Healthy Families and Increase Cost Sharing

Human Services

- Reduce Monthly CalWORKs Grants by 15.7 percent
- Reduce Monthly SSI/SSP Grants for Individuals to the Federal Minimum
- Eliminate Cash Assistance Program for Immigrants

- Reduce Monthly CalWORKs Grants by 15.7 percent: GF Savings in DSS Budget
- Eliminate CalWORKs Recent Noncitizens Entrants Program
- Reduce Level at which the State Reimburses Child Care Providers
- Reduce State Participation in IHSS Worker Wages/Benefits to \$8.60 per hour
- Limit the Provision of IHSS Services
- Eliminate California Food Assistance Program

Proposed “Trigger” Cuts

The Governor’s budget proposes additional “trigger” cuts if revenue, including federal fiscal assistance in the amount of \$6.9 million, is not secured by July 2010. This request includes increasing California’s base federal medical assistance percentage (FMAP), which reimburses the state for medical assistance provided to eligible Medi-Cal recipients, from 50% to the national average of 57%. It also requires Congress to continue financial support of health and human services currently being delivered through the American Reinvestment and Recovery Act (ARRA).

“Trigger” Cuts Include

- Elimination of the CalWORKs Program
- Lifetime limit of CalWORKs assistance to 24 months
- \$36 Million in cuts to Transitional Housing Plus Program for Foster Youth which prevents homelessness for youth that are aging out
- Elimination of the IHSS Program
- Eliminating most “federally optional” Medi-Cal benefits including Durable Medical Equipment (DME), medical supplies such as prosthetics and orthotics, and physical therapy
- Cutting more than one million poor Californians off of Medi-Cal altogether – all those who are not federally mandatory
- Eliminating the Healthy Families Program, adding more than 875,000 children to the roles of the uninsured
- Taking Proposition 63 funds to finance mental health services

WCLP Response to Cuts

“Governor Schwarzenegger is harming the public structures developed by generations of Californians that have helped families overcome poverty and provide assistance to those who need help. The Governor seems to want a world class economy with a third rate safety net. Californians deserve better,” says Michael Herald, legislative advocate for the Western Center on Law and Poverty. “We urge the Legislature to reject these proposals and develop a responsible solution to the budget that serves the public good. Eliminating jobs and cutting critical assistance will only make the economic crisis worse.”

“At a time when Congress and President Obama are working furiously to expand health coverage, Governor Schwarzenegger proposes to cut almost two million Californians from Medi-Cal and Healthy Families. This moves us in exactly the wrong direction - cutting people off when we should be expanding access.” says Elizabeth Landsberg, legislative advocate for the Western Center on Law & Poverty.

Western Center on Law and Poverty is an independent, nonprofit organization that leads the fight to secure housing, food, healthcare and other basic rights for poor children and adults in California.

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