



## WESTERN CENTER ON LAW & POVERTY

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### PRESS RELEASE

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## **Governor Proposes Evisceration of California's Safety Net & No New Taxes While Protecting Big Business**

*May Revise 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 impacted by the economic recession. 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 develop solutions that help Californians get back on their feet.

The cuts to safety-net programs proposed by the Governor's May Revise Budget include:

### **California Work Opportunity & Responsibility to Kids (CalWORKs)**

\$1.1 Billion Cut by Eliminating CalWORKs on October 1, 2010

\$488 Million in additional CalWORKs reductions by enacting the following changes by October 1, 2010.

- 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 75<sup>th</sup> percentile
- Elimination of Recent Non-Citizen Entrants Program, estimated 24,000 people

### **Food Assistance Programs**

\$42.8 Million in cuts to low-income children and their families by:

- Elimination of California Food Assistance Program (CFAP)
- The Administration did not make a proposal to move from quarterly reporting to semi-annual reporting for Food Stamps.

### **County Food Stamp and Child Welfare Administrative Funding**

\$602 million decrease in funding Food Stamp and Child Welfare Services programs

- Due to a shift of county mental health realignment funding to county social services programs. This adjustment eliminates the majority of funding for county mental health services and retains only the amount necessary to fund mandated mental health services.

### **Supplemental Security Income (SSI) Programs**

\$206 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

### **Medi-Cal**

#### **In-Home Supportive Service (IHSS)**

\$637 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**

The Governor's May Revision includes the following changes to Medi-Cal:

- **Restricting Access to Services and Imposing Cost-Sharing.** The Governor's Budget includes savings of \$530 by cutting services for Medi-Cal beneficiaries and imposing co-payments including:
  - **Mandatory co-pays** as follows:
    - \$5 co-pays on doctor visits, dental services (those remaining for children and pregnant women), and pharmacy;
    - \$50 co-pay on emergency room visit regardless of condition or need; and
    - \$100 co-pay per day for hospital stay up to \$200 maximum.
  - Eliminating some over-the-counter drugs and nutritional supplements.
  - **Maximum benefits caps** on hearing aids (\$1,510), durable medical equipment (\$1,604), incontinence supplies (\$1,659), urological supplies (\$\$6.435, and wound care supplies (\$391).
  - **Cap on prescriptions** to six per month (except life-saving drugs).
  - **Cap on doctor visits** to ten per year.
  - **Mandatorily enrolling seniors and people with disabilities** into managed care plans.
  - Cutting radiology rates to 80% of Medicare.
  - Freezing hospital rates.
  - No longer paying **Medicare Part B** premiums for beneficiaries with shares of cost less than \$500.
- **Drastically reducing health benefits for some legal immigrants.** California currently provides full-scope Medi-Cal to lawfully residing immigrants who lost eligibility for federal coverage as a result of the 1996 federal welfare reform law. California recognized the

individual and public health consequences of denying preventive and basic medical care to its poor residents but again the Governor proposes to only provide restricted services to these legal immigrants. \$118 million.

- **Eliminating the Adult Day Healthcare Program.** \$104 million.
- **Restoring optometry benefit** for adults as required by federal law.
- The Governor has **withdrawn the “trigger” proposals** to eliminate nine Medi-Cal benefits and cut Medi-Cal eligibility to the “federal minimum.” Eligibility cuts to Medi-Cal and Healthy Families are prohibited by federal health reform law.

### **Healthy Families**

- **Withdraws cutting Healthy Families eligibility** which is prohibited by federal health reform law.
- **Cutting Back Services and Increasing Premiums for Healthy Families.** Under the Governor’s proposal, children in the Healthy Families Program would lose vision coverage and families with incomes from 200% to 250% FPL would have to pay higher premiums: from \$24 to \$42 per child and a family maximum going from \$72 to \$126 per month.
- **Increasing Hospital Co-pays:** from \$15 to \$50 for emergency room visits and adding co-pay on hospital visits of \$100 per day up to \$200.

### **WCLP Response to Cuts**

“Governor Schwarzenegger’s budget proposals for human services are callous and irresponsible. With the ship of state taking on water, the Governor prefers to throw children, the disabled and poor families overboard while reserving the lifeboats for the wealthy and the corporations to paddle safely to shore” says Michael Herald, legislative advocate for the Western Center on Law and Poverty.

“The Governor is inflicting major harm on the public structures developed by generations of Californians that have helped families overcome poverty and provide assistance to those who need help. These cuts not only hurt families they hurt average businesses that benefit from the billions in federal funds that support the programs the Governor wants to cut. We deserve a lot better,” says Jessica Bartholow, 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.”

“The Governor’s proposed mandatory co-pay on doctor’s visits, hospital visits and prescription drugs puts poor Californians’ health at serious risk. How is a family with less than \$600 in monthly income supposed to pay \$200 for a 2-day stay in the hospital? It puts medically necessary care out of touch for real people.” says Elizabeth Landsberg, legislative advocate for the Western Center on Law & Poverty.

### **WCLP Supports Other Budget Solutions**

WCLP advocates have been diligent proponents of increasing taxes and tax accountability in California and drawing down more federal funds through public benefit programs as a way to close the \$20 billion tax cut.

Federally, WCLP has called on Congress and the President to help California prevent cuts to safety-net programs by extending enhanced federal funding for Medicaid (Medi-Cal in California) and for Temporary Aid to Needy Families (TANF) that was made available through the Americans Reinvestment and Recovery Act (ARRA).

Without new federal and state revenues, the Governor's proposed cuts are inescapable. The Legislature and Governor must find a balanced approach.

### **WCLP Staff Press Availability**

WCLP will be available on Friday afternoon and throughout the weekend to comment on the budget. Next week WCLP will join other health and human service advocates in holding a conference call to address questions regarding how these cuts will impact families and discuss alternative budget solutions. The details are below:

[Conference Call Details Here](#)

**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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