



## Coalition for Humane Immigrant Rights of Los Angeles

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February-2010

### SNAPSHOT OF CALIFORNIA'S FISCAL WOES

CHIRLA was formed in 1986 to advance the human and civil rights of immigrants and refugees in Los Angeles; promote harmonious multi-ethnic and multiracial human relations; and through coalition building, advocacy, community education and organizing, empower immigrants and their allies to build a more just society.

CHIRLA's state policy work aims to address and advocate for major immigrant access issues and immigrant workers rights. In addition, CHIRLA conducts policy research and monitors state legislation impacting immigrant rights and conditions.

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California's projected deficit is approximately \$20 billion, including a \$6.6 billion gap in the current fiscal year and \$12.3 billion for 2010-11.<sup>1</sup> On January 8, the Governor released his proposed budget and called the Legislature for a special session to address the deficit in the current fiscal year. Under proposition 58, which was approved in 2004, the Governor was given the power to proclaim a fiscal emergency and submit a budget proposal to address that fiscal emergency. It also required the Legislature to cease any other legislative matters to address the fiscal emergency. The Legislature has 45 days to act in the special session. Thus, the state budget process is on two tracks, the special session and 'normal' process for the next fiscal year that begins July 1, 2010.

In his proposed budget, the Governor seeks the approval by the Legislature of \$19.9 billion in solutions. The Governor's proposed budget relies heavily on an ill-conceived notion that California will be able to obtain federal aid to close the current deficit gap, draconian cuts to public programs and overreaching budget reforms. The Governor expects the Legislature to approve \$8.9 billion in solutions in the special session and the rest in the regular budget session. This is a summary of the Governor's proposed budget.

## PROPOSED BUDGETARY REDUCTIONS IN BOTH SPECIAL AND REGULAR SESSIONS

### ***Immigrant Programs:***

- ◆ Complete elimination of the Cash Assistance Program for Immigrants (CAPI). This program provides aid to eligible immigrants who are seniors and people with disabilities who do not qualify for the federal Supplemental Security Income (SSI) pursuant to the Welfare Reform of 1996. It is estimated that these programs serve about 8,500 individuals.
- ◆ Complete elimination of the California Food Assistance Program (CFAP). This program provides assistance with food stamps to lawfully residing immigrants who do not qualify for the federal food stamp program pursuant to the Welfare Reform of 1996. It is estimated that these programs serve about 30,000 individuals.

### ***Human Services Programs:***

- ◆ Reduce Supplemental Security Income/State Supplemental Income (SSI/SSP) monthly grant by \$15. This program provides monthly cash grants to low-income elderly, disabled persons and couples. The SSI grant is funded by the federal government and SSP is funded by the state. The current SSI/SSP grant level for an individual is \$845 per month and couples \$1,407 per month.
- ◆ Reduce California Work Opportunity and Responsibility to Kids (CalWORKs) monthly grant by 15%. This program serves approximately 525,000 families each month.<sup>2</sup> This budget cut amounts to a \$104-\$109 grant reduction in the monthly grant of a family of three. Last year, the Legislature and Governor made significant changes to CalWORKs including a 4% reduction in monthly grants.

- ◆ Complete elimination of CalWORKs assistance for lawfully residing immigrants who have been in the country for less than 5 years. Some of these cases are single-mothers who were victims of domestic violence and were sponsored by their spouses.

### ***Healthcare Services:***

- ◆ Complete elimination of Adult Health Care benefits. This program is administered under Medi-Cal and is serving approximately 37,000 adults with disabilities and low income seniors.
- ◆ Elimination of full-scope Medi-Cal for lawfully residing immigrants. It serves approximately 65,000 individuals. They account for less than 1% of the caseload in the Medi-Cal program.
- ◆ Redirecting funds from Proposition 10 to offset spending from the general fund. Proposition 10, otherwise known as the California Children and Families Act, was enacted by the voters in November, 1998 election. The initiative created the California Children and Families Program (now commonly known as the First 5 program) to expand early development programs for children up to age five. If the Legislature approves it, voters will have to decide if they agree with this proposal in a special election in June. In a special election last year, voters voted against a very similar proposal.

*Continue from Budgetary Reductions in both Special and Regular*

- ◆ Redirecting funds from Proposition 63 to offset spending from the general fund. This initiative was approved by voters in 2004 to impose a 1% income tax on personal income in excess of \$1 million to fund mental health programs. If the Legislature approves it, voters will have to decide if they agree with this proposal in a special election in June. In a special election last year, voters voted against a very similar proposal.
- ◆ Healthy Families allows about 1 million low- and middle-income class families who are not eligible for Medi-Cal to pay for health coverage on a sliding scale ranging from \$4 to \$15 per child per month, depending on their income. These rates were increased in February, 2009. The Governor's

proposal seeks to reduce Healthy Families Program eligibility from 250% to 200% Federal Poverty Line (FPL) (Effective May 1, 2010). It is estimated that if this goes into effect about 200,000 people will be kicked out of the program by the end of this year and a total of 400,000 by the next year fiscal year. In addition, it will eliminate vision coverage that this program provides to children. Lastly, the premiums would increase for those between 151-200% FPL by \$14/child or \$42/family of three (Effective July 1, 2010).

### **PROPOSED BUDGETARY 'TRIGGER CUTS '**

The Governor's proposed budget assumes that California will be receiving federal funds, and a waiver to reduce more funding for public programs that are partially funded by the federal government. The Administration estimates that this could result in \$7.9 billion in 'solutions.' However, if this goal is not achieved the Governor is proposing 'trigger cuts' that amount to \$4.6 billion in additional budgetary cuts to public programs and \$2.4 billion in tax credits.

#### ***'Trigger cuts' include complete elimination of the following programs:***

- ◆ California Work Opportunity and Responsibility to Kids (CalWORKs) program.
- ◆ Healthy Families Program.
- ◆ Health programs funded by Proposition 99. In 1988, voters approved a surtax of 25 cents per pack of cigarettes to fund certain health services including: county health programs that provide emergency health services for indigents; and funding for clinics to expand access to primary care.
- ◆ Mental health services funded via Proposition 63.
- ◆ In-Home Supportive Services. This program provides assistance to eligible elderly or disabled persons including children with personal assistance and in-home support services so they can live safely in their homes.
- ◆ Transitional Housing Placement for Foster Youth Plus Program. This program provides affordable housing and wide range of supportive services, including job training, educational support and counseling to youth were in foster care.
- ◆ Eliminate optional benefits for Medi-Cal recipients.

*Continue from Proposed Budgetary Trigger Cuts*

***Trigger cuts' include deep reduction in funding for the following programs:***

- ◆ Eliminate funding for enrollment growth at the University of California and the California State University.
- ◆ Reduce Medi-Cal eligibility to the minimum allowed by the federal government.
- ◆ Reduce state employee salaries by an additional 5%.
- ◆ Extend reduction on the credit for each dependent on the personal income tax from \$319 to \$102.

**BUDGET REFORMS INCLUDED IN THE GOVERNOR'S BUDGET**

The Governor's budget proposal also includes major budget reforms that would have to be approved by voters in the general elections. These proposals are being presented by California Forward, while some of these ideas are promising, they fall short of addressing the root causes of the state's structural deficit, one of which is the supermajority vote requirement to enact a budget and increase taxes. Some of the budget reform proposals put forward by the Governor included:

- ◆ Broaden the supermajority vote requirement to increase taxes by also including fee increase as part of this requirement.
- ◆ Provide the Governor with new midyear authority to reduce the state's budget, if it faces a deficit.

(1) The Legislative Analysis Office. *The 2010-11 Budget: Overview if the Governor's Budget*. January 12, 2010. Available at <[http://www.lao.ca.gov/reports/2010/bud/budget\\_overview/bud\\_overview\\_011210.pdf](http://www.lao.ca.gov/reports/2010/bud/budget_overview/bud_overview_011210.pdf)>

(2) Hubert, Cynthia. "Budget plan could doom CalWORKs aid to families, children." *Sacramento Bee*. Published January 4, 2010 pg. A1.