



California Association of Social Rehabilitation Agencies
815 Marina Vista, P.O. Box 388, Martinez, CA 94553
925-229-2300 (voice); 925-229-9088 (fax)
www.casra.org

Budget Update – Health and Social Service Reductions

Health Reduction

\$2.3 Billion

- ***Federal Fiscal Relief for Medi-Cal.*** Assumes that future federal actions will reduce state Medi-Cal funding requirements by \$1 billion and additional state savings of \$323 million are achieved (e.g. assumes \$1 billion in General Fund savings from obtaining additional federal funds).
- ***Unspecified Medi-Cal Reductions.*** Assumes \$323 million in General Fund savings. How these savings would be achieved has not yet been determined.
- ***COLAs for Long-Term Care Providers.*** Freezes COLAs for Medi-Cal long-term care providers, including skilled nursing facilities, to achieve about \$76 million in General Fund savings.
- ***Healthy Families.*** Rejects proposal to eliminate Healthy Families Program, while reducing support by \$179 million.
- ***Proposition 36.*** Reduces Proposition 36 substance abuse programs by \$90 million.
- ***Various other*** reductions, including over \$250 million of gubernatorial vetoes (the legality of which is currently in question. See: <http://www.sacbee.com/static/weblogs/capitolalert/latest/024454.html>).

Social Services Reduction

\$1.0 Billion

- ***Supplemental Security Income/State Supplementary Payment (SSI/SSP) Grant Reductions.*** Reduces grants by \$5 per month for individuals and \$72 per month for couples, resulting in General Fund savings of \$108 million beginning on October 1, 2009.
- ***Short-Term California Work Opportunity and Responsibility to Kids (CalWORKs) Savings.*** Achieves savings of approximately \$510 million in 2009-10 primarily from reducing county block grant allocations for welfare-to-work services and child care. To help counties achieve these savings, budget legislation exempts families with a very young child, or two or more children under age six, from work participation requirements through June 2011.

- ***Out-Year CalWORKs Policy Changes.*** Effective July 1, 2011, budget legislation reduces from 60 to 48 the number of consecutive months an adult may receive a cash grant, requires adults to meet with county workers every six months regarding work requirements, and gradually increases the amount of the grant sanction for cases which do not meet those requirements.
- ***In-Home Supportive Services (IHSS) Reductions.*** Assumes savings of approximately \$264 million primarily from eliminating domestic and related services for all but the most severely disabled IHSS recipients, making the least disabled ineligible for all services, eliminating the share of cost buy-out program, and implementing several antifraud activities.
- ***Child Welfare Services Reduction.*** A gubernatorial veto reduces funding to counties by \$80 million.
- ***Several Program Eliminations and Reductions Rejected.*** Rejects the Governor's proposals to eliminate the CalWORKs program, the Cash Assistance Program for Immigrants, and the California Food Assistance Program.
- ***Cost-of-Living Adjustments (COLAs).*** Beginning in 2010-11, eliminates automatic COLAs for CalWORKs and SSI/SSP.

For a list of bills the Governor signed or vetoed, see <http://gov.ca.gov/press-release/12977/>