

California Immigrant Policy Center

1225 8th Street, Suite 590 ♦ Sacramento, CA 95814
Phone (916) 448-6762 ♦ Fax (916) 448-6774

CIPC 2007-08 BUDGET UPDATE

August 28, 2007

Final Budget Hits Low-Income Californians Hard

Following one of the longest budget delays ever, Governor Schwarzenegger signed the 2007-08 budget into law on August 24th. The governor used his line-item veto authority to cut \$703 million from the budget proposal approved by the state Senate and Assembly in recent months.

Among the programs for low-income Californians that the governor targeted with the line-item veto are portions of Medi-Cal, state services for the mentally ill, the Expanded Access to Primary Care program that funds clinics to serve the uninsured, and the Adult Protective Services Program, a program for seniors and adults with disabilities who are victims of abuse or neglect. The largest reduction to Medi-Cal made by the Governor was based on the assumption that the program will receive fewer new beneficiaries than what was previously estimated. Some \$15 million was cut that would have helped counties enroll uninsured children in Medi-Cal and Healthy Families and an additional \$15.4 million was cut to delay implementation of SB 437 (Escutia) which includes a pilot program to allow Medi-Cal recipients to self-certify their income. Implementation of the program was expected to increase the number of children enrolled in Medi-Cal by more than 16,000 by 2007-08.¹

Governor Schwarzenegger also vetoed a fund increase approved by lawmakers earlier this year for the Naturalization Services Program (NSP):

Naturalization Services Program (NSP) – NSP provides funds to local governments and community groups to assist immigrants through the naturalization process. In his January budget proposal, the governor kept NSP funding at \$3 million for 07-08. California has nearly 3 million immigrants who are eligible to apply for citizenship and too few services to help them go through the naturalization process.

Earlier this year, the Legislature recognized the value of the program and voted to provide a \$2 million increase for NSP. In the final budget ***the governor vetoed this increase.*** This means continued waiting lists for immigrants who are eligible to naturalize, at least until the next cycle of grants is administered. CIPC is working with legislators and the administration to ensure adequate funding for NSP.

¹ "Governor Signs 2007-08 Budget," California Budget Project, August 24, 2007.

Health & Human Services Programs in the 2007-08 Budget that affect Immigrants:

Cash Assistance Program for Immigrants (CAPI), provides aid in California to seniors and persons with disabilities who are not eligible for federal Supplemental Security Income (SSI) because of their immigration status. This year's budget includes an important administrative "fix" to the CAPI program, thanks to the efforts of CIPC, NILC and our allies. When a CAPI recipient becomes a citizen, he or she becomes eligible for federal SSI. However, some recipients face a gap in assistance between the time they naturalized and the time that their application is processed. For many elderly and disabled immigrants, this loss in income meant a real threat to their health and safety. Under the budget signed by the Governor, CAPI recipients can continue to receive support after they've naturalized until their SSI application is processed.

Emergency Food Assistance was reduced by \$2.9 million dollars in cuts detailed in the Governor's veto list. These funds had been intended for individuals affected by the freeze last winter.

CalWORKs is California's version of Temporary Assistance for Needy Families (TANF). This program provides cash grants to adults for a maximum of five years while promoting work participation and self-sufficiency. In January, the governor proposed to cut \$140 million from CalWORKs by suspending the annual Cost of Living Adjustment (COLA) for the third consecutive year. The Legislature approved this proposal and the CalWORKs COLA that was due in July 2007 has been suspended. This only serves to deprive working low-income families of help keeping up with the rising cost of living in California – one of the most expensive states in the nation in which to live.

In May, the Governor also proposed to cut \$185 million from the **Supplemental Security Income/ State Supplemental Payment (SSI/SSP)** program by suspending the January 2008 state Cost of Living Adjustment (COLA) and leaving the much smaller federal COLA untouched. ***The Legislature responded by rejecting the cut and instead shifting the state COLA from January to June***, a five month delay that will bring the state one-time savings. The final budget will provide both the federal and state COLA for the first time since the 2004-05 budget. This means that in January, recipients will see an increase of up to \$12 for an individual and up to \$19 for couples. Then in June 2008, single SSI recipients will receive an additional \$20 and couples will receive another \$37 per month.²

Prescription Drug Discount Program: The California Discount Prescription Drug Program will effectively be delayed as the Governor zeroed out the funding to

² 2007-08 Enacted Budget Summary. California Department of Finance www.dof.ca.gov

implement this program. The program, created through AB 2911 in 2006, would negotiate with drug companies to provide discounts to uninsured and underinsured Californians with incomes below 300% of the Federal Poverty Level. This program would have provided discounts on skyrocketing costs of prescription drugs to the many low-income uninsured and underinsured Californians.

Community Clinics: Despite any increasing number of uninsured Californians and proposals to have clinics be the answer to the uninsured problem, the Governor reduced funding to the clinics by \$10 million. This cut will unfortunately decrease access to care for low-income immigrants at the community clinics.

Implementation of the Medi-Cal citizenship documentation rule: The budget includes \$50.8 million so that the state and primarily the counties can properly staff and implement the 2006 federal rule requiring citizens and nationals applying for and enrolling in Medi-Cal to prove their citizenship and identity. This new Medi-Cal rule should not affect low-income immigrants unless they are applying on behalf of their citizen children and simply adds new barriers to low-income citizens' access to health coverage.

Cervical Cancer vaccine through Medi-Cal: The budget includes \$11.1 million to allow Medi-Cal to provide the Human Papillomavirus Vaccine (HPV) to Medi-Cal eligible women between the ages of 19 to 26. HPV is a vaccine designed to reduce the risk of cervical cancer in young women and was recently approved by the Food and Drug Administration (FDA).

AIDS Drug Assistance Program (ADAP): There were no cuts in funding to the ADAP program, funded at \$288.9 million, which provides life-saving, anti-viral medications to individuals living with HIV. Additional funding was approved for other HIV care and treatment and reporting programs.

Regional Centers: The budget includes additional funding (over last year's budget) for Regional Centers, which provide critical health and supportive services to children and adults with disabilities. The Regional Centers are often the last resort for many low-income disabled immigrants.

For more information about the state budget, please go to www.dof.ca.gov. If you have any questions regarding this update, please contact Layla Razavi at 916.448.6762, ext. 202.