



As of January 6, 2012

On January 5, 2012, Governor Brown announced his budget proposal with devastating cuts to health and human services. In an attempt to bridge a \$9.2 billion projected deficit, there are \$4.2 billion in cuts to essential public programs. Moreover, the budget proposal rests on the contingency that a revenue ballot measure is passed in November. Without the projected revenues generated from the Governor's ballot proposal, an additional \$5.4 billion in trigger cuts will be enacted. The new year has truly started with a bang and California Partnership will continue to fight for a fair budget for working families that must include revenue solutions. Below is a quick summary of some of the major proposals.

Cuts to Human Services:

- **CalWORKs**- \$946 million in cuts and a restructuring of the CalWORKs program into 3 categories
 - CalWORKs Plus – Adults can stay on aid for 48 months with unsubsidized employment meeting federal work requirements
 - CalWORKs Basic-Families have cash aid and welfare-to-work services for 24 months but can be disenrolled after if they don't meet work participation or have 3 months of sanctions.
 - Child Maintenance- Grants for child-only cases or families disenrolled from CalWORKs basic will have a 27% grant cut.
 - Federal Work Requirement alignment- This would change the state's current requirements to a 30 hour weekly work rate. Families with children under 6 years old would comply to a 20 hour weekly work rate.
 - Eliminate all non-federal Welfare-to-Work exemptions

- **Child Care** - \$446.9 million cut
 - Consolidate Child care stages 1,2,and 3 into one program
 - Eliminate services for families not meeting welfare to work requirements. This would be a \$293.6 billion reduction that would eliminate 46,300 slots for children.
 - Reduce income eligibility ceiling from \$42,216 to \$37,060. This would be a \$43.9million reduction that will eliminate 15,700 slots for children.
 - Reduction of reimbursement rates for providers, which could reduce jobs

Cuts to Health Services:

- **Medi-Cal**- \$842.3 million cut
 - Eliminate the Managed Risk Medical Insurance Board (MRMIB)
 - Move 1.2 million low-income people with disabilities and seniors to who receive both Medi-cal and Medicare to managed care
 - Medi-cal beneficiaries would only able to change plans once a year instead of once a month

- **In Home Supportive Services (IHSS)**- \$163.8 million cut
 - Elimination of domestic and related services for IHSS recipients with shared living arrangements

- **Community Clinics** - \$27.8 million cut
 - Change Federally Qualified Health Center payments
- **AIDS Drug Assistance Program**- \$14.5 million cut
 - Impose cost sharing to Federal Maximum. Copays may be raised from \$28 to \$385 per month
- **Medical Therapy** -\$91 million cut
 - Reduce income eligibility for families making more than \$40,000/year
- **Healthy Families** - \$64.4 million cut
 - 25.7% rate cut for managed care plan rates
 - Transition 875,000 Healthy Families beneficiaries to Medi-Cal starting October 1, 2012
- **Department of Developmental Services** - \$200 million cut
 - Possible payment reductions to regional centers and providers

Cuts to Higher Education:

- **Cal Grant Program** - \$302 million cut
 - Reduce grants for students attending private colleges
 - Raise GPA requirements for applicants

Other Proposals

- Elimination of state boards and agencies including the commission on the Status of Women and the Department of Mental Health and the Department of Alcohol and Drug Programs, and the Managed Risk Medical Insurance Board
- Shift of non-violent female offenders from state prison to community-based treatment programs
- Elimination of 3,000 state jobs

Proposed Revenue Solutions:

- Proposed Ballot Measure for November 2011 Election
 - 3 new tax rates for the top 2% highest-income earners in California would raise \$4.4 billion
 - The state's sales tax would be increased by 0.5% temporarily until 2016 to raise \$2.6 billion

Additional \$5.4 billion in trigger cuts if revenue solutions fail:

- K-12 Education- \$2.6 billion cut which would be equal to shortening the school year by more than 3 weeks
- University of California System - \$200 cut
- Cal State System - \$200 cut
- Elimination of jobs for state park rangers, fish and game wardens, and lifeguards at state beaches
- Reduction to Dept. of Forestry and Fire Protection's fire-fighting programs
- Reduction to Dept. of Water Resources' Flood control programs
- Reduction to Dept. of Justice's law enforcement programs

For more information see the complete budget proposal at www.ebudget.ca.gov

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