

California State Budget Cuts: Implications to Korean American Families



California is facing an estimated \$17.2 billion deficit; on May 14, Governor Schwarzenegger released his revised budget for the 2008-2009 fiscal year. The deep cuts to Health and Human Services (an estimated \$2.9 billion) can be troubling for low-income families, seniors, the disabled and immigrants. The following is a summary of the impact of some items in the Governor's proposed budget*:

PROGRAM	PROPOSAL	IMPACT	ASSEMBLY ACTION	SENATE ACTION
Medi-Cal Program	Lowers Medi-Cal eligibility from 100% to 61% of Federal Poverty Level	Income eligibility for poor families (under 1931b) would be reduced from 100% to 61% FPL (\$12,000 a year for a family of 4). 430,000 poor parents would lose coverage by August 2011.	Rejected	Rejected
	10% provider and plan rate cuts in Medi-Cal	Provider and Plan Rate Cuts could signify greater difficulty for patients on Medi-Cal to find physicians to treat them. Only 50% of CA physicians accept Medi-Cal due to the low reimbursement rate.	Approved	Rate reduction cut to 5%
	Reduced services for certain legal immigrants	Reduced services for certain legal immigrants who have not been in the United States for over five years; these immigrants would not be eligible for preventive services or routine doctor visits.	Rejected	Rejected
Healthy Families Program	Increase family contributions from \$9 to \$16 per month or \$15 to \$19 per month depending on income	Working families may have difficulty with increased family contributions. For some children a 78% premium increase and a 50% increase in co-payment for non-preventive services. An estimated 60,000-70,000 children will lose their Healthy Families coverage.	Approved some premium increases	Approved some premium increases
In-Home Support Services (IHSS)	Reduce the number of hours for certain non-medical services by 18%	The IHSS program helps seniors and disabled people who depend on their workers to help around with their basic needs, not all of which are medical. Time devoted to meal preparation, laundry, and other domestic errands may be cut by 18% in 2008-2009.	Rejected	Rejected
	Requires recipients with less severe impairments to pay "share of cost"	The "share of cost" is estimated to average \$427 per month.	Rejected	Rejected

* This list is by no means comprehensive. For more information, please contact the Korean Resource Center

Naturalization Services Program (NSP)	10% cuts to Naturalization Services Program	The cuts will negatively impact individuals seeking to become citizens who will have to wait longer to receive the assistance they need on their applications. The backlog will only grow longer, as 1,130 who will not receive naturalization services will probably remain on the wait list.	Approved	Approved
Supplemental Security Income/State Supplemental Payment (SSI/SSP)	The budget eliminates the SSI/SSP cost of living adjustment (COLA) for the blind, aged and disabled scheduled for June 2008	This results in SSI/CAPI budget savings of \$820 million for the 07-8 and 08-9 budget.	Approved suspending the June 2008 COLA	Approved suspending the June 2008 COLA
	It also proposes to suspend the 2008-9 SSP COLA also (to be applied in January 2009 and June 2009).		Both January and June 2009 COLAs are retained	Both January and June 2009 COLAs are retained
Cash Assistance Program for Immigrants (CAPI)	The Governor's proposal would eliminate CAPI, denying critical cash support to immigrant seniors and persons with disabilities who were ineligible for federal SSI.	There are nearly 1,000 Korean American CAPI recipients.	Rejected	Rejected
California Food Assistance Program/Food Stamps Program	Cut California Food Assistance Program benefits by 10%, and Food Stamp administrative costs by 4%	Reduces monthly food benefit level from \$91 to \$82. The 10% cut for California Food Assistance Program benefit will save \$2.5million dollars; the 4% cut for Food stamp administration \$14.9M	Rejected	Rejected

Next Steps:

The budget process takes months, from January to June, or even later if nothing has been settled. After each House passes their version of the budget with a two-thirds vote, the Assembly's Budget Bill passes to the Senate; likewise, the Senate's Budget Bill passes to the Assembly. If there are any differences, (i.e. Medi-Cal Provider Rate Cuts), the Budget Conference Committee reaches a compromise. The conference version goes back to the two houses for a two-thirds vote, and is sent back to the Governor. Sometimes, if the Conference Committee cannot reach agreement, the "Big 5" (the Governor, the President pro Tem of the Senate, the Speaker of the Assembly, and the minority leaders of both the Senate and the Assembly) may bring them back for discussion and future implementation. Community members should be aware that while the legislative bodies are no longer discussing these proposed cuts, they may still come back. Please don't forget to advocate for your causes directly to the Governor.