

Contra Costa County California  
**Employment & Human Services**

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## **Impact of Governor's Proposed 2010 Budget Reductions**

### **CalWORKs**

***Proposal:*** A reduction of \$146.1 million by: (1) reducing monthly grant payments by 15.7 percent (on top of the 4 percent grant cut already enacted in 209-10) to reduce California's grant level to the average of the ten states with the highest cost of living, (2) reducing the level at which the state reimburses child care providers including a funding reduction for CalWORKS Stage 3 Child Care, and (3) eliminating the Recent Noncitizen Entrants program, which provides CalWORKs benefits to legal immigrants who have been in the United States for less than five years.

***Impact:*** The proposed reductions will adversely impact those families receiving benefits, making it more difficult to make ends meet while engaging in job training and job search. Child care providers may refuse to accept children from families on CalWORKs due to lower reimbursement rates.

#### **Impact on Benefit Grant:**

- **18,743 children** and **10,790 CalWORKs families** will be adversely impacted with this proposed grant reduction taking an average monthly cash aid grant for a family of three (3) from **\$694** to **\$590**, a reduction of **\$104**. Some families will become discontinued from cash aid.
- **10,790 CalWORKs families** will encounter more difficulties in meeting basic needs while trying to engage in job search, and other activities necessary to obtain employment.
- More children and families will fall further into poverty putting them at risk of neglect, continued unemployment, homelessness, violence; and substantial education and health & well-being deficits.

#### **Impact on Child Care:**

- Child care for approximately **1,544 CalWORKs families** will be jeopardized with providers discontinuing child care services as a result of the proposed rate reimbursement reductions.
- **2,646** licensed exempt child care providers will receive lower reimbursement rates thereby decreasing the level of child care and slots currently available to CalWORKs children. (The current average monthly rate per child care slot of **\$701** would be reduced by **20%** to **\$561**.)
- **1,249** licensed providers will receive lower reimbursement rates thereby decreasing the level of available child care and slots for CalWORKs families. (The current monthly average rate per child care slot of **\$830** would be reduced by **10%** to **\$747**.)

- Funding reduction under Stage 3 Child Care for CalWORKS families will jeopardize child care for approximately **1,353 children or 745 families** and will further limit the availability of child care slots for these children.
- Reduction or loss of child care will result in increased job loss and extended and repeat periods of cash aid.

**Impact on Non-Citizen Entrant Program::**

- Elimination of this program will adversely impact **549 CalWORKS adults (and 239 children)** who are legal, noncitizen entrants resulting in their application and eligibility for General Assistance (GA), a 100% County-funded program. An average monthly GA grant is \$221.
- More children and families will fall further into poverty putting them at risk of neglect, continued unemployment, homelessness, violence; and substantial education and health & well-being deficits.

**IHSS**

**Proposal:** A reduction of \$77.9 million in 2009-10 and \$872.6 million in 2010-11 for: (1) limiting the provision of services to consumers with the highest level of need and (2) reducing state participation in the wages of IHSS workers to the state minimum wage of \$8.00 per hour, plus \$0.60 per hour for health benefits. These proposals would become effective June 1, 2010, based on the assumption that the state prevails in pending litigation on similar but lesser reductions previously enacted.

**Impact on Clients:** If the state prevails on limiting the number of IHSS participants under the FI of four, 6,357 (87%) of the participants (consumers) in CCC will be cut from the program. No current safety net exists for this group of people. The health, safety and dignity of the clients will be jeopardized. Some will require a transition to a more restrictive and expensive setting (institution) for their care. As a consequence of the reduction in consumers, a significant number of IHSS Providers (approximately 6,000) in CCC will be out of work and seeking new employment and/or unemployment benefits. Approximately 2,300 providers will no longer have health insurance and may qualify for the county's Basic Health Care Plan further draining limited county resources. The same number of providers may also be forced to apply for Medi Cal and Food Stamp benefits. This proposed reduction in hours would result in \$2 million annual savings for the county because when the County serves fewer clients, our costs go down, which results in a "savings" to the County.

**Impact on Wage Reduction:** If the state prevails and sets the state wage participation rate for IHSS providers to minimum wage, Contra Costa County will not be able to backfill and the wage rate in this county would drop from \$11.50 per hour to \$9.43 per hour. A significant number of providers will terminate their employment and seek a better paying job. This will drain the supply of available, experienced providers and further place the recipients of IHSS in jeopardy. Family members who have traditionally provided this care to keep a disabled family member at home may have to seek work outside the home which will result in a more restrictive and expensive setting for the recipient.

### Foster Youth

Proposal: Eliminate funding for the Transitional Housing Placement for Foster Youth-Plus Program (\$36 million State General fund savings).

Impact: Approximately **65 emancipating Foster Care youth** would be adversely impacted requiring them to apply for General Assistance cash aid, a 100% County-funded program.

### Medi-Cal

#### Proposal

1. Medi-Cal Cost Containment Strategies — The Governor's Budget includes a reduction of \$750 million General Fund from the implementation of strategies, similar to what other states have done, to reduce Medi-Cal costs including limits on services and utilization controls, and increased cost-sharing through co-payment requirements, premiums, or both.
2. Eliminate Full-Scope Medi-Cal for Certain Immigrants — A decrease of \$118 million resulting from the elimination of full-scope Medi-Cal for adult Newly Qualified Immigrants (legal immigrants who have been residing in the United States less than five years), except pregnant women, and immigrants Permanently Residing Under the Color of Law, and Amnesty Immigrants who are not defined as eligible Qualified Immigrants under federal law. This proposal would take effect March 1, 2010, but savings would not be realized until June 2010 because of implementation times and notification requirements.

#### Impacts:

- This group of legal immigrants would be reduced to limited benefits covering emergency care only. Eliminating preventative care for this population would put a greater strain on emergency rooms within the county especially at the CCC Regional Medical Center.
- Loss of preventive care would cause the adults of this population to miss more days of work reducing county tax revenue due to loss of income. Children are also part of this population. They would experience reduced school attendance due to illness not only impacting their education but school funding.
- There would be a loss of revenue due to unfunded visits to county and community health clinics.
- Possible impact due to cost of funding CalWIN Program changes due to regulation changes.
- Eliminate Optional Adult Day Health Care Benefits — A decrease of \$104 million as a result of the elimination of the optional adult day health care benefit. This proposal would take effect March 1, 2010, but savings would not be realized until June 2010, because of provider and beneficiary notification requirements and the timing associated with related cash payments in Medi-Cal.

#### Impacts:

- Without adult day care the mental and physical health of this population would deteriorate causing more hospital stays and clinic visits creating a strain on these county facilities.
- Many would end up in nursing facilities which are much more expensive for the taxpayers.

- Employees of the day care centers would be laid off and family members would be forced to quit their jobs to remain at home to provide the care now given by the centers. The result is loss of income to the county and a possible increase in applications for other county programs such as CalWORKS and General Assistance.

The Administration is also assuming an extension of the enhanced funding provided for health and social services programs by ARRA.

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## **TRIGGER**

The budget identifies spending reductions and extension of revenue increases that will go into effect in the event that the federal government fails to provide the \$6.9 billion of additional funding proposed in the budget. These “trigger” cuts include:

### **CalWORKs**

**Proposal:** Eliminate the entire CalWORKs program.

**Impact:** Potentially thousands of CalWORKs recipients could apply for General Assistance, greatly increasing demand on this 100% County-funded program.

- A total of **18,734 CalWORKS children and 10,790 CalWORKS families** would have no cash means of support requiring parents to apply for General Assistance, a 100% County-funded program.
- **10,790 CalWORKS families** and **18,734 children** would fall further into poverty putting them at greater risk of continued neglect, unemployment, homelessness, violence; and substantial education and health & well-being deficits.
- **10,790 CalWORKS families** will encounter more difficulties in meeting basic needs while trying to engage in job search, and other activities necessary to obtain employment.
- The CalWORKs Single Allocation of over \$50 million dollars in federal and state revenue would be eliminated. Over 400 positions and many support services within the Employment and Human Services Department funded by this allocation would be eliminated.
- Positions and services funded by CalWORKS which are provided by other county departments (i.e. General Services, DoIT, ORC, Health Services) would be eliminated.
- Over \$30 million dollars in CalWORKs assistance payments, funded primarily with federal and state revenue, would be eliminated from the local economy.

### **In-Home Supportive Services**

**Proposal:** Eliminate In-Home Supportive Services program.

**Impact:** If the IHSS program is eliminated in total due to the trigger, 7,500 consumers will be cut from the program. No current safety net exists for this group of people. The health, safety and dignity of the clients will be jeopardized. Some will require a transition to a more restrictive and expensive setting (institution for their care. 7,000 IHSS providers in the county will be out of work and seeking new employment and/or unemployment benefits. Approximately 2,700 providers will no longer have health insurance and may qualify for the

county's Basic Health Care Plan further draining limited county resources. The same number of providers may also be forced to apply for Medi Cal and Food Stamp benefits.

### **Other Potential Proposals**

**Proposal:** Redirect additional county savings — A decrease of \$505.5 million in State General Fund by redirecting a portion of the county savings resulting from reductions in IHSS and CalWORKs to fund an increased county share in Department of Social Services children's programs.

**Impact:** Unclear at this time. There is insufficient detail currently available to determine the extent or amount of the increase county share of costs of which programs may be impacted.

**Proposal:** California Children and Families Act of 1998 (Proposition 10) — A reduction of \$550 million in General Fund through a redirection of Proposition 10 funding from the California Children and Families Commission budget to high-priority state programs serving children. This proposal includes shifting (for five years) approximately 50 percent of the Proposition 10 revenues currently directed to state and local accounts within the Commission's budget (\$242 million in 2010-11) and a one-time sweep of state and local reserves (\$308 million). The redirected funds will be used to support children enrolled in programs administered by the Department of Social Services and the Department of Developmental Services. Implementation of this proposal will require voter approval. It is anticipated this initiative will be included in the June 2010 election.

**Impact:** The Governor's plan, if implemented as described and approved by the voters, would prevent First Five Contra Costa's from carrying out its strategic commitment to spend \$70 million over the next five years.

**Proposal:** Cigarette and Tobacco Products Surtax Fund (Proposition 99) — Savings of \$36 million from using available one-time Proposition 99 reserves to offset costs in Medi-Cal. The 2010 Budget also contains \$25 million from the available special funds to replace one-time 2009-10 savings (from a change in payment methodology) made available from the Access for Infants and Mothers Program to meet anticipated demand for health care in 2010-11.

**Impact:** *Unknown*

### **SSI/SSP**

**Proposal:** Reduce SSI/SSP grants for individuals by \$15 per month (from \$845 to \$830) to the federal minimum.

**Impact:** **2,034 SSI/SSP recipients** will be further negatively impacted and less able to meet their basic needs becoming more at risk and falling further into poverty.

### **Cash Assistance Program for Immigrants (CAPI)**

**Proposal:** Eliminate the CAPI program.

**Impact:** A total of **235** CAPI recipients would lose their cash benefits and apply and be eligible for General Assistance cash aid, a 100% County funded program.