

CALIFORNIA IMMIGRANT WELFARE COLLABORATIVE
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Governor Proposes Massive Reduction in State Spending **EDUCATION, TRANSPORTATION, LOCAL GOVERNMENT AND SOCIAL SERVICES TARGETED**

With California facing a record budget deficit that may top \$30 billion, Governor Gray Davis has released a proposal outlining massive reductions to the state's spending plan. The proposed cuts, which total \$10.2 billion, primarily target education, transportation, local government, and health services. On Dec. 9, 2002, lawmakers debated the cuts in a special legislative session that had been called by the governor, but postponed any decisions on the matter until the new year.

In his proposal, the governor did not include revenue increases, as called for by his fellow Democrats. Instead, his plan proposes only cuts in spending, including a reduction of \$167.5 million in California's Medi-Cal program. These cuts, which would harm low-income working families throughout the state, include several measures that were rejected by legislators earlier this year. Also targeted is California's Naturalization Services Program, which has served some 55,000 immigrants who are seeking citizenship. Under the governor's plan, the program would be cut by \$1.3 million immediately and be up for elimination in July of 2003.

The governor's cost-cutting proposals include the following:

Reinstatement of Medi-Cal Quarterly Status Reports. The Davis administration's proposal would reinstate Medi-Cal Quarterly Status Reports (QSRs) effective Apr. 1, 2003. According to Davis, the reinstatement of QSRs would result in current-year savings of \$10 million and a budget-year savings of \$170.1 million. The QSRs are a significant paperwork barrier that imposes burdensome reporting requirements, which keep many eligible recipients from maintaining benefits. Nearly 250,000 Californians would lose their health care coverage with the institution of quarterly status reporting, according to health care advocates.

Rescission of 1931(b) Medi-Cal Eligibility Expansion. Effective Apr. 1, 2003, this would rescind the previously enacted expansion of Medi-Cal that made families with incomes up to 100 percent of the federal poverty level (FPL) eligible for the program.

Under the governor's proposal, Medi-Cal eligibility would be limited to families with incomes up to approximately 61 percent of the FPL.

Elimination of Selected Medi-Cal Optional Benefits. The Davis administration proposes to eliminate a number of optional benefits from the Medi-Cal program for adults, including dental services, medical supplies, occupational therapy, chiropractic services, and psychiatric care.

Medi-Cal and Healthy Families Outreach. The governor's proposal reduces \$20.7 million in funding for media campaigns and health care outreach.

Naturalization Assistance. The governor proposes to eliminate General Fund support for the Naturalization Services Program (NSP) as well as reduce by \$1.3 million funding for grants to community-based organizations that were scheduled for disbursement on Jan. 1, 2003. Earlier this month, the Dept. of Community Services and Development (CSD) informed NSP contractors that a requested allocation of \$5 million in federal funds was denied, further jeopardizing the citizenship program. The NSP provides support to local governments and community-based organizations to assist immigrants in obtaining U.S. citizenship.

Supplemental Security Income/State Supplementary Payment (SSI/SSP) Cost of Living Adjustment (COLA). The Davis administration proposes to suspend the June 2003 and January 2004 cost of living adjustments (COLAs) for the Supplemental Security Income and State Supplementary Payment (SSI/SSP) programs, and is requesting that the resulting savings of \$22.3 million be

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Asian Pacific American Legal Center of Southern California • Coalition for Humane Immigrant Rights of Los Angeles
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reverted to the state's General Fund. The proposal to suspend COLAs for SSI/SSP would affect the benefit levels in the Cash Assistance Program for Immigrants (CAPI). CAPI provides assistance to immigrant seniors and persons with disabilities who were rendered ineligible for the federal SSI Program due to the 1996 federal welfare law.

CalWORKs COLA. The Davis administration also proposes to suspend the June and October 2003 COLAs for CalWORKs, the state's Temporary Assistance for Needy Families program.

Neither the California Senate nor the Assembly was ready to embrace the proposed mid-year cuts. After the Assembly met briefly, Assembly Speaker Herb Wesson announced a series of Budget Committee hearings to consider the cuts. Speaker Wesson also announced meetings by five Assembly Budget

Subcommittees to take testimony from community members on the impacts of the cuts. These informational hearings were held in Los Angeles, San Jose, Oakland, and Sacramento. The Senate, meanwhile, opted to adjourn and take up the budget issue in January 2003. Senate President Pro Tem John Burton instructed budget and policy committee staffs to thoroughly analyze the impact of the governor's proposed cuts on programs and report back to Senate leaders. Decisions on the budget will likely be made after the governor releases his proposed annual budget on Jan. 10, 2003.

The governor's reduction proposal and other related documents can be found at the Dept. of Finance's Web site at www.dof.ca.gov. Readers with questions about the proposed cuts should contact Rini Chakraborty or Jeannette Zanipatin at 916-448-6762.

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