

CALIFORNIA IMMIGRANT WELFARE COLLABORATIVE
California Update

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GOVERNOR DAVIS SIGNS STATE BUDGET

Deep Cuts Will Hurt, but Vital Safety Net Programs Preserved

The \$99.1 billion state budget that Governor Gray Davis signed more than a month after the constitutional budget deadline had passed attempts to close California's \$38.2 billion deficit through a combination of spending cuts, tax shifts, fee increases, and extensive borrowing—but still leaves the state with an \$8 billion estimated shortfall for next year.

Education, local and state government, health care programs, and transportation all bore the brunt of cuts as lawmakers haggled over whether to mandate new taxes. The call for new revenues by advocates for state health care, education, and social services programs went unheeded, though the final budget tripled existing vehicle license fees for all Californians. According to lawmakers, this year's budget had something to make everyone unhappy and merely postpones the difficult task of solving California's ongoing fiscal problems. Immigrants and their advocates will need to remain vigilant as the state's financial crisis continues to unfold.

The brighter side is that, overall, state-funded safety net programs for immigrants, including the California Food Assistance Program (CFAP) and the Cash Assistance Program for Immigrants (CAPI), emerged from budget battle intact. Through intensive, ongoing lobbying efforts, health care and immigrants' rights advocates and their allies in the state legislature resisted attacks on these programs and avoided some of the most severe cuts to the state's Medi-Cal program. Without a doubt, low-income immigrants will still feel the impact of the state's budget crisis when cuts to numerous health and human service programs begin to take effect in the fall.

What follows is a summary of the state budget as signed on Aug. 2, 2003, and a list of budget issues in the health care, human, and social services arenas that affect low-wage immigrants. The state budget and other related documents can be found at the Dept. of Finance's Web site at www.dof.ca.gov. If you have any questions, please contact Jeannette Zanipatin, CIWC state-wide policy analyst, at 916-448-6762.

HUMAN & SOCIAL SERVICES

California Food Assistance Program (CFAP) and Cash Assistance Program for Immigrants (CAPI). The final budget fully funds the California Food Assistance Program (at \$11.2 million) and the Cash Assistance Program for Immigrants (\$95.3 million) for the new budget year. These programs provide food stamps to low-

income immigrant families and subsistence aid to immigrant seniors and persons with disabilities. During the budget negotiations, CFAP and CAPI survived repeated attempts to eliminate them that were contained in Republican-sponsored budget proposals.

Earlier in the year, CFAP and CAPI also survived a proposal by Governor Davis to "realign" them. Realignment would have shifted responsibility for overseeing the programs and some of the costs of administering them from the state to local governments, possibly threatening their continued existence. Realignment of programs from state to local control may be a feature of future cost-cutting legislative proposals.

California Work Opportunity and Responsibility to Kids (CalWORKs) and Supplemental Security Income/Supplemental Security Payment (SSI/SSP). The final budget retains the June 2003 cost-of-living adjustments (COLAs) for SSI/SSP and CalWORKs. However, the budget suspends the cost-of-living adjustments for both programs for 2003-04. Fortunately, neither of these programs experienced grant reductions that had been proposed under previous cost-cutting plans.

Food Stamps. The final budget authorizes California's participation in the federal transitional food stamp program, which

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Driver's License Bill Passes Legislature
GOVERNOR DAVIS PROMISES TO SIGN SB 60

A bill that will allow any California resident, regardless of immigration status, to apply for a driver's license has passed both the Assembly and the Senate. On Sept. 2, following an emotional debate, the Assembly passed the bill 44-30, with 6 absent or not voting. The following day, the Senate passed the bill 23-15, with 2 abstentions. Gov. Davis has pledged to sign the bill into law. We will provide a full report on SB 60 in the next CALIFORNIA UPDATE.

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would provide transitional food stamp benefits to families leaving CalWORKS for a period of five months. According to the California Budget Project, the change could provide Californians with \$70 million in food stamps at an estimated state cost of \$2.5 million.

Statewide Fingerprint Imaging System (SFIS). The final budget allocates \$10.6 million for the Statewide Fingerprint Imaging System (SFIS). This program requires applicants for food stamps and CalWORKs, including household members who are not seeking benefits on their own behalf, to be fingerprinted and photographed. AB 231, a bill that is currently wending its way through the legislative process, would eliminate the SFIS program. AB 231 is being held in the Senate Appropriations Committee, awaiting review now that the legislature has returned from its summer recess.

Naturalization Services Program (NSP). Despite intensive lobbying, including presentations by community members at hearings in Sacramento, the final budget plan eliminated all funding for California's Naturalization Services Program. Although this is a blow to immigrant communities throughout the state, efforts will continue to renew support in the coming year for this vital program. The NSP supported local governments and community based organizations that helped thousands of immigrants in California to become citizens.

HEALTH CARE

Child Health and Disability Prevention (CHDP) Gateway. The budget maintains \$74.5 million to implement the CHDP "gateway," to streamline children's enrollment into Medi-Cal and Healthy Families. Effective July 1, 2003, the gateway will provide up to two months of full-scope Medi-Cal coverage for low-income children who are not currently enrolled in Medi-Cal or the State Children's Health Insurance Program (SCHIP). Providers may not be able to implement this gateway program until after the effective date.

Medi-Cal 1931(b). The budget funds Medi-Cal's 1931(b) program, keeping in place previous expansions that allow families with incomes up to 100 percent of the federal poverty level to remain eligible for coverage and principal wage earners in a family receiving benefits to work more than 100 hours each month. The 1931(b) program is the primary way that low-income working families who are not receiving CalWORKs can obtain no-share-of-cost Medi-Cal.

Medi-Cal Optional Benefits. The budget does not eliminate optional benefits but does establish cost containment protocols for hearing aids and their accessories and durable medical equipment rentals. Earlier this year, the governor proposed the elimination of 14 optional benefits, including adult dental care, medical supplies, physical therapy, and psychology services.

Express Lane Eligibility. The new budget implements "express lane" eligibility, which will facilitate Medi-Cal enrollment of children receiving school lunches and families receiving food stamps,

for an increase of \$3.5 million and \$7.7 million respectively.

Rural Health Demonstration Projects. The budget renews funding and repeals the sunset for Healthy Families Rural Health Demonstration Projects that fund collaborative health care networks to alleviate unique problems of health care access in rural areas.

Transitional Medi-Cal. The budget eliminates the second year of Transitional Medi-Cal, which allows families that are transitioning off of CalWORKs due to increased earnings to receive continuous Medi-Cal coverage, as of Oct 1, 2003.

Medi-Cal/Healthy Families Bridge. Currently, children who become ineligible for Medi-Cal can receive two months of "bridge" coverage while they apply for Healthy Families. The new budget would reduce that bridge to one month until implementation of the Healthy Families parental expansion, which has been postponed until July 2006.

Semi-Annual Reporting Under Medi-Cal. The budget maintains semi-annual reporting requirements currently in place under Medi-Cal. Immigrants' advocates opposed the increase in reporting under Medi-Cal because of the undue burden it imposes on recipients who already have difficulty navigating California's complex application and renewal processes.

Cuts in Reimbursement Rates to Health Care Providers. Medi-Cal provider reimbursement rates were reduced 5 percent overall, with exemptions for certain nursing facilities, sub-acute care programs, and adult day health centers. Reduction of reimbursement rates will likely make it even more difficult for Medi-Cal recipients to find health care providers, including medical specialists, who are willing to accept them as patients.

Reimbursement rates for health, dental and vision plans participating in the Healthy Families Program are frozen until June 30, 2005. Like the reductions to provider reimbursements generally under Medi-Cal, this could discourage providers from taking patients under the Healthy Families Program and further erode access to services for low-income immigrants.

Reimbursement rates are cut 5 percent for providers in the California Children's Services (CCS) program (which provides treatment for children with certain physical limitations and chronic health conditions or diseases), the Breast and Cervical Cancer Early Detection Program, and the Family Planning Access Care and Treatment (Family PACT) program. These programs are available to California residents regardless of immigration status.

Healthy Families Parental Expansion. Implementation of the expansion is postponed to July 2006. The expansion will extend eligibility for Healthy Families to eligible parents of children enrolled in the program, to promote the children's access to and use of health care services.

County Medical Services Program. CMSP provides medical and dental services to indigent adults who live in participating counties and are not eligible for Medi-Cal. The program is jointly funded by the state and participating counties. The budget bill increases the share of program costs borne by the counties.