

**CALIFORNIA IMMIGRANT WELFARE COLLABORATIVE**  
**California Update**

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**DEFICIT CLIMBS FROM \$34.6 BILLION TO \$38.2 BILLION**

**'May Revision' Restores Some Funds for Programs That Serve Immigrants, but Health Care Services Remain in Peril**

***On May 14, 2003, Governor Gray Davis officially released the "May revision" to his proposed 2003–04 state budget as California faces a staggering \$38.2 billion deficit—up from the \$34.6 billion shortfall projected in January. Recognizing the growing political power of immigrants in California and the legislature's commitment to working families, the governor fully***

restored funding for critical immigrant services and retreated from earlier proposals to cut Medi-Cal's 1931(b) program and CalWORKs and SSI/SSP grant levels. The governor's May Revision, however, still calls for cuts to critical health and social services programs that serve low-income, working families.

Over the next several weeks, the budget subcommittees will meet to consider the governor's proposals. According to the California constitution, a state budget must be signed by June 15. The following is an overview of proposed funding for programs that affect immigrants and low-income families.

**IMMIGRANT-RELATED BUDGET ISSUES**

***California Food Assistance Program (CFAP) and Cash Assistance Program for Immigrants (CAPI).*** The May revision maintains full funding for CFAP (\$11.2 million) and CAPI (\$95.3 million). Neither program will be considered a candidate for "realignment" in 2003–04. In January the governor announced his realignment package, which would have shifted the responsibility and costs associated with administering numerous health and human services programs (including CFAP and CAPI) from the state to the local level, for a savings of \$8.2 billion. In his May revision, Davis proposes to scale down his realignment proposal to \$1.7 billion and defer deliberation on the majority of his January realignment proposal, to be implemented in 2004–05. It is unclear at this time whether CFAP and CAPI will be raised in future realignment discussions.

***Naturalization Services Program (NSP).*** The legislature rejected the governor's proposal to reduce NSP funding for the current year from \$2.9 million to \$1.6 million. Davis, however, still proposes to *eliminate* the program starting in 2003–04. The NSP offers funding to local governments and community-based organizations to assist immigrants in obtaining citizenship. On May 21, Assembly Budget Subcommittee No.1 and Senate Budget Subcommittee No. 3 approved funding for the NSP at \$2.9 million. The final decision on the NSP may still end up in conference.

**HEALTH CARE**

***Medi-Cal Quarterly Status Reports (QSR).*** The governor continues to propose that adults be required to report to the Medi-Cal program on a quarterly basis to verify their eligibility. According to the governor's January budget, reinstatement of these burdensome reporting requirements would jeopardize health coverage for over 193,000 adults. Although most of these adults would remain eligible for Medi-Cal, they would lose their health coverage due to bureaucratic requirements and snafus as opposed to any change in income or eligibility. This proposal is still on the table despite the recent budget compromise and enactment of SBX1 26, an urgency bill that would implement semi-annual reporting in Medi-Cal starting in Aug. 2003.

***Medi-Cal 1931(b).*** The governor's recent budget proposal fully restores funding for Medi-Cal 1931(b) at \$107.4

*Continued on page 2*

**THE CALIFORNIA IMMIGRANT WELFARE COLLABORATIVE IS A JOINT PROJECT OF**

**Asian Pacific American Legal Center of Southern California • Coalition for Humane Immigrant Rights of Los Angeles  
National Immigration Law Center • Services, Immigrant Rights, and Education Network**

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*Continued from page 1*

million. The governor rescinded his original proposal to roll back Medi-Cal 1931(b) eligibility for families with incomes between approximately 61 and 100 percent of federal poverty level and to deny no-cost health coverage to two-parent working families at any income level if the principal wage earner works more than 100 hours a month. Over 293,000 very-low-income working families would have lost health coverage in 2003–04 if this proposal had been enacted.

**Medi-Cal Optional Benefits.** The governor's revised budget proposal would restore funding for four Medi-Cal optional benefits, specifically: nonemergency medical transportation, hospice care, prosthetics, and orthotics. However, fourteen optional benefit categories are still targeted for elimination under his May revision: adult dental; medical supplies (e.g., diabetic supplies, IV supplies, wound care, asthma supplies); durable medical equipment; optician and laboratory services; optometry; podiatry; acupuncture; speech and audiology; hearing aids; psychology; chiropractic services; independent rehabilitation centers; occupational therapy; and physical therapy.

**Medi-Cal for Seniors and Persons with Disabilities.** The governor's revised proposal rolls back the expansion of the Aged and Disabled Medi-Cal program from 133 percent of federal poverty to the SSI/SSP income level. The governor restores a higher SSI/SSP grant level than originally proposed in his January budget (see below under SSI/SSP).

**Transitional Medi-Cal.** There is no change from the January proposal. The governor seeks to eliminate the second year of Transitional Medi-Cal coverage, which allows families transitioning off of CalWORKs due to increased earnings to receive up to 24 months of continuous Medi-Cal coverage. In January the governor estimated that approximately 1,830 individuals would be denied health coverage starting Oct. 1, 2003. Former CalWORKs recipients would be left with only one year of transitional Medi-Cal coverage.

**Healthy Families Parental Expansion.** There is no change from the January proposal. The governor would delay expansion of the Healthy Families program to cover uninsured, low-income parents of children enrolled in either Healthy Families or Medi-Cal until July 2006.

**Child Health and Disability Prevention (CHDP) Gateway.** The governor's revised plan maintains \$74.5 million to implement the CHDP "gateway," which would streamline enrollment into Medi-Cal and Healthy Families. Effective July 1, 2003, the gateway will provide up to two months of full-scope Medi-Cal or Healthy Families coverage

**Express Lane Eligibility.** Implements "express lane" eligibility, which will facilitate Medi-Cal enrollment of 3,905 children receiving school lunches and 5,967 parents and children receiving food stamps, for an increase of \$3.5 million and \$7.7 million respectively.

**Expanded Access to Primary Care.** Proposes to reduce funding by \$2.3 million due to realignment.

**Rural Health Demonstration Projects.** Discontinues RHDP entirely starting in 2003–04 for a savings of \$7.8 million.

## SOCIAL SERVICES

**SSI/SSP.** Withdraws the January proposal to reduce grants by 6.2 percent, resulting in an overall grant increase of \$441.6 million. However, the governor maintains his original proposal to suspend the state-only cost-of-living-adjustments (COLAs) for Jan. 2003 (3.74 percent) and Jan. 2004 (3.46 percent). The Jan. 2004 federal COLA of 2.1 percent will raise individual grants from \$757 to \$769 per month; without suspension of the state COLAs the amount would be \$805.

**CalWORKs.** The governor withdrew his January proposal to reduce CalWORKs grants by 6.2 percent. The governor, however, maintains his original proposal to suspend the June 2003 and October 2003 COLAs (which were 3.74 and 3.46 percent, respectively). The Western Center on Law and Poverty notes that the grant level for an average family of three would remain at \$679 (as opposed to the \$728 it would be were both COLAs to go into effect), which is lower than the July 1989 grant level of \$694. Furthermore, the governor proposes to reduce the one-time augmentation for employment services proposed in January from \$241.5 million to \$156.9 million and raise the county share-of-cost from 2.5 to 30 percent as part of his realignment package.

**Statewide Fingerprint Imaging System (SFIS).** The governor continues to fund the SFIS at \$10 million for maintenance and operation. California has already spent an estimated \$53.7 million on SFIS, which requires food stamps and CalWORKs applicants, including those not seeking benefits on their own behalf, to be fingerprinted and photographed. A recent state audit questioned the cost-effectiveness of the program and suggested that the SFIS may undermine national outreach efforts to increase participation in the food stamps program by eligible individuals.

The governor's budget and other related documents can be found at the Dept. of Finance's website at [www.dof.ca.gov](http://www.dof.ca.gov). For more information, call CIWC's Rini Chakraborty or Jeannette Zanipatin at 916-448-6762.