

Impact of Proposed California Budget on Health and Human Services in San Francisco
San Francisco Human Services Network
August 10, 2010

This report is a summary of work done by the California Budget Project (CBP), a nonprofit that engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians.

The CBP recently released a number of fact sheets examining the local impact of the cuts outlined in Governor Arnold Schwarzenegger's proposed 2010-11 budget. These fact sheets include breakdowns of the cuts and/or the number of people affected by county, legislative district, and/or school district. This summary is primarily focused on the impacts to San Francisco. The full reports are available at <http://www.cbp.org/>.

The In-Home Supportive Services (IHSS) program helps low-income seniors and people with disabilities live safely in their own homes. Services include assistance with dressing, bathing, and medications, as well as domestic tasks such as cleaning, shopping, and meal preparation. Individuals receive service based on an abilities evaluation ranking them on a “functional index” (FI) score from 1.0 to 5.0. Governor Schwarzenegger proposes to eliminate all IHSS services for individuals with FI scores below 4.0 effective June 1, 2010. This proposal would eliminate services for 19,620 as well as cut IHSS funding by \$170,425,000 in San Francisco alone. Additionally, if the state does not receive \$6.9 billion in federal funds, the Governor would eliminate the IHSS Program effective October 1, 2010. This proposal would terminate IHSS services for 22,530 San Franciscans and cut spending by \$215,777,000.

The Governor’s proposed budget would reduce compensation for IHSS workers by nearly \$1.2 billion statewide. The state shares in combined IHSS wage and health benefit payments of up to \$12.10 per hour with counties and the federal government. Currently, the federal government pays 61.6 percent of IHSS costs, the state pays 25.0 percent, and counties cover the remaining 13.4 percent. Governor Schwarzenegger proposes to cap the state’s share of IHSS compensation at the state’s minimum wage of \$8.00 per hour plus \$0.60 per hour for benefits, effective June 1, 2010. Forty-five counties currently offer combined wages and health benefits exceeding \$8.60 per hour. If the proposal were to take effect, counties would be forced to use their own dollars to make up for lost state funding. Under the Governor’s proposal, over 18,000 San Francisco IHSS service providers would lose \$91,977,000 in compensation.

The California Work Opportunity and Responsibility to Kids (CalWORKs) program provides cash assistance to low-income families with children, while helping parents find jobs and overcome barriers to employment. The Governor’s 2010-11 budget proposes to reduce CalWORKs payments by 15.7 percent effective June 1, 2010, which would reduce cash assistance for 11,190 San Franciscans, cut all assistance for an additional 160, and decrease spending by \$5,165,000. If the state does not receive \$6.9 billion in additional federal funds, the

Governor would eliminate the CalWORKs program, terminating services for 11,610, and decreasing funding by \$36,647,000 in San Francisco.

Supplemental Security Income/State Supplementary Payment (SSI/SSP) grants help low-income seniors and people with disabilities meet basic living expenses. Governor Schwarzenegger proposes to reduce SSI/SSP grants to the federal minimum of \$830 per month, a \$15 per-month cut. In addition, the Governor proposes to eliminate the Cash Assistance Program for Immigrants (CAPI), which provides state-funded cash assistance to legal immigrants who are not eligible for SSI/SSP payments. These proposals would reduce grants for 34,610 SSI/SSP recipients as well as eliminate all CAPI grants and a few small SSI/SSP grants for 1,140 San Francisco recipients. These combined cuts would account for \$15,729,000 in lost funding.

Governor Schwarzenegger proposes to significantly reduce, and potentially eliminate, the Healthy Families Program (HFP). The HFP provides low-cost health, dental, and vision coverage to children in families with incomes of up to 250 percent of the federal poverty line - \$45,780 for a family of three. (Another recent CBP report on the cost of living in California concluded a parent would have to earn a basic wage of \$28.75, an annual total of \$59,808 in order to support a modest standard of living in San Francisco for a family of three.)

The Governor proposes three reductions. He proposes to reduce the income eligibility limit from 250 percent to 200 percent of the poverty line, resulting in 2,780 San Francisco children losing access to affordable health coverage and a loss of \$3,417,000 in federal and state funding. The proposal would also eliminate routine vision care for 10,600 children enrolled in Healthy Families. Additionally, the proposal would increase families' cost of premiums for families with monthly incomes between 151 percent and 200 percent of the poverty line. Premiums would rise from \$16 per month per child to \$30 per month per child, affecting 4,860 San Francisco children. If the state fails to receive \$6.9 billion in federal funds, the Governor would eliminate the Healthy Families Program, terminating services for 13,390 children and amassing a loss of \$13,481,000 in state and federal funds in San Francisco.