



## OVERVIEW:

Over the course of the last three years, California's legislature and Governors have approved approximately **\$15 billion in cuts** to health care and social services, harming our state's economic recovery and immiserating the lives of those at the bottom of the economic pyramid. Not only have these cuts created a tremendous hardship for California's seniors, low-income families, children and people with disabilities, they have also cost the state thousands of jobs and billions in federal matching dollars, because almost every dollar cut from In-Home Supportive Services (IHSS) and Medi-Cal costs California another dollar in Federal matching funds.

This report summarizes the cuts made from FY2008-09 up to the present. The dollar figures here represent only the cuts in state funding; if federal dollars lost were included, the amount lost to California's health and human services system would be almost double.

## CALWORKS (\$3.5 billion since FY2008-09):

Since FY 2008-09, the CalWORKS program has suffered an estimated **\$3.5 billion**<sup>i</sup> in spending cuts, \$1.1 billion of which was included in Governor Jerry Brown's spending cuts package, signed in March 2011.<sup>ii</sup> In real terms for families with children, these cuts are the equivalent of a loss of \$3,100 for each of the 1.1 million California children covered by CalWORKS.<sup>iii</sup>

**Reductions in CalWORKS Cash Assistance:** Cash assistance grants to families have undergone a significant reduction since 2008-09, with the maximum monthly grant allowance for a family of three to a mere \$638 in FY 2011-12. After this year's cuts to the CalWORKS basic need grant is enacted in July, CalWORKS households will have incomes below 30% of the federal poverty line.

**Reductions to time limits for adults:** As part of the 2011-12 budget cuts package signed by Governor Jerry Brown in March 2011, beginning July 2011, adults receiving CalWORKS cash assistance will now only be eligible for 48 months of assistance in their lifetime, rather than 60 months.

**Reductions to services to help families get back to work:** Scaled back funding for programs and services that enable struggling families to get back to work and back on their feet, including education, job training, and childcare, have made it more difficult for counties to help families make the transition from public assistance to financial independence.

## HEALTH/MEDI-CAL/HEALTHY FAMILIES (\$3.7 billion since FY2008-09):

Since FY 2008-09, California's health budget has suffered **\$3.7 billion** in spending cuts since FY2008-09 which has made it even harder for approximately 13 million Californians to get the care and coverage they need. These massive spending cuts have led to an almost equal loss of Federal matching dollars.

**Reduced Coverage:** Medi-Cal benefits have been greatly reduced over the last four years. Over three million adults with Medi-Cal coverage saw the complete elimination of dental, vision, podiatry, and several other medically necessary services in 2009 and 2010. This year, additional cuts included the limiting of doctor and clinic visits to seven per year, and the elimination of Adult Day Health Centers.

**Reduced Access:** Recent budget cuts have reduced access to care and coverage for the uninsured as well as those with Medi-Cal and Healthy Families. Medi-Cal reimbursement rates, which are lower in California than in all but a few states, have been cut multiple times in recent years, most recently earlier this year. This reduces access for Medi-Cal recipients, especially in rural and other underserved areas, and for California's 7 million uninsured, who depend on the same safety-net providers: community clinics and public hospitals.

**Increased Costs:** Since FY2008-09, those with Medi-Cal and Healthy Families have had to pay more for health care, even as they face the economic pressures of the recession. Premiums for Healthy Families have been increased, which reduces enrollment, and new copays have been imposed on Medi-Cal enrollees for doctor visits (\$5), prescriptions (\$5), emergency room visits (\$50) and hospital care (\$100/day), having the impact of reducing the use of needed care.<sup>iv</sup>

Cuts in state funding for Medi-Cal (\$2.7 billion) lead to an equivalent loss in Federal dollars; cuts to Healthy Families (\$336 million) lead to a loss of two times as much in Federal dollars.

### **IN-HOME SUPPORTIVE SERVICES (IHSS) (\$336.3 million since FY2008-09):**

The In-Home Supportive Services (IHSS) Program has long been a lifeline, helping nearly 500,000 California seniors and people with disabilities with activities of daily living (ADL) such as dressing, meal preparation and bathing that they are not able to do alone. Not only does IHSS offer essential and cost-effective services to help keep California's seniors and people with disabilities at home with loved ones and out of costly state institutions and hospitals, but it's also a major employer, providing California with more than 300,000 jobs.<sup>v</sup>

In the years since FY2008-09, IHSS services have been reduced through a series of spending cuts and have been slated for elimination on at least two occasions. These cuts have included reduced hours of care for all IHSS recipients, imposing administrative requirements in order to reduce participation, and eliminating subsidies for consumers paying a monthly share-of-cost.

Cuts in state funding for In-Home Supportive Services (IHSS) lead to an equivalent loss in Federal matching dollars.

### **SSI/SSP (\$4.6 billion since FY2008-09)**

The Supplemental Security Income (SSI) – State Supplementary Payment (SSP) program provides modest assistance to low-income seniors and people with disabilities whose Social Security or other retirement or disability payments are not enough to meet basic needs. Despite the poverty of SSI recipients and their lack of other resources, the program has been cut significantly. Since FY2008-09, SSI/SSP has suffered a total loss of \$4.6 billion through consecutive cuts, equivalent to a loss of \$3,600 for each of the 1.3 million Californians on assistance. SSI/SSP grants for individuals will drop to the federal minimum of \$830/month in July 2011.<sup>vi</sup> Once in effect, this means the average annual income for individuals receiving SSI/SSP grants will total a mere \$9,960 – \$930 below the Federal Poverty Level of \$10,890.<sup>vii</sup> SSI/SSP grants have lost nearly one-third of their value since 1990.<sup>viii</sup>

### **CHILD CARE (\$1.6 billion since FY2008-09)**

In his 2011-12 budget proposal, Governor Jerry Brown proposed \$750 million in cuts to a variety of child-care programs, including the elimination of subsidized childcare for some 11 and 12 year olds.

Spending cuts for FY2011-12, signed by the Governor in March 2011, include steep funding reductions to CalWORKS and non-CalWORKS child care, putting state funding for childcare programs at an all-time low when adjusted for inflation.<sup>ix</sup> These cuts may cause 60,000 children to lose critical child care services which they depend on to prepare them for future academic success, in turn jeopardizing their parents ability to work, and threatening the closure of child care businesses across the state.<sup>x</sup>

### **DEVELOPMENTAL DISABILITIES (\$997 million since FY2008-09)**

California is home to 21 regional centers that offer a broad variety of services and programs to help developmentally disabled residents live independent, healthy, and fulfilling lives at home.

Through the last four budget cycles, Regional Centers and other programs that serve Californians with developmental disabilities have undergone significant reductions, including cuts to service providers,<sup>xi</sup> narrowing of eligibility for services for at-risk babies, and cuts to a wide range of community-based programs and services. The 2011-2012 State Budget made over \$577 million in reductions to state funding for developmental services, on top of previous permanent reductions of over \$334 million in 2009.<sup>xii</sup>

### **SENIOR SERVICES (\$191.4 million since FY2008-09)**

Since 2008, California has dismantled much of the safety net built to keep California's frailest and most vulnerable seniors and people with disabilities safe and healthy. Many programs have lost all state funding: some remain open with local and federal funding, while others have vanished completely. Those that remain have been cut so deeply that access is limited.

Programs that have lost all state funding include Adult Day Health Care, Alzheimer's day care resource centers, Senior Brown Bag nutrition program, Linkages comprehensive care management and respite care. In addition, as a result of ongoing funding uncertainty, the Multipurpose Senior Services Program (MSSP, which provides social and health care management for frail seniors), has had to close completely. Meanwhile, anecdotal evidence suggests that some seniors who have lost their MSSP social workers – the only human contact many homebound seniors have – have died not long after.

As we go to print, legislators have set aside \$85 million in state funds to restructure the Adult Day Health Care program with half as much funding and fewer clients; nobody knows whether Governor Jerry Brown will approve or veto that restoration.

### **NUTRITION SERVICES (\$533,000 since FY2008-09)**

In FY2009-10, Governor Arnold Schwarzenegger used his line-item veto powers to eliminate all state-funding for the Community Based Service Program (CBSP), including the Senior Brown Bag Program, which enabled community organizations and food banks to distribute over 600,000 brown bag means on a regular basis to over 35,000 low-income seniors.

Attempts by the legislature to restore funding to CBPSP the subsequent year were later blocked by Governor Schwarzenegger using his line-item veto powers. Between FY2008-09 and FY2011-12, total cuts to California's various nutrition services programs have totaled more than half a million dollars (\$533,000).<sup>xiii</sup>

### **MENTAL HEALTH (\$1.07 billion since FY2008-09)**

State sponsored mental health programs and services aimed at providing cost-effective treatment and care options for Californians suffering from mental illness and substance abuse. Cumulatively, cuts to mental health and substance abuse services programs have involved \$7.7 million in cuts to the state's mental health managed care program, along with the wholesale elimination of all state funding for mental health services not required by the federal government.

## APPENDIX

### I. PERSONAL STORIES



**Francene Middleton, Oakdale**

*I worked all my life but I had to take time off to care for my son, who was mentally ill, and my mother, who lived into her 90s. Now more and more is being taken out of my pocketbook with the cuts to Medi-Cal and SSI. It's mostly women living in the senior apartments where I live, and about a quarter of us live on less than a thousand dollars a month. Some of the women past 70 are still working because they have to. I owe my dentist \$300 because Medi-Cal doesn't cover dental care anymore, and I'm paying him \$20 a month because that's all I can afford. I have diabetes so I need regular dental care, but I can't afford it. Most older women did take time off to raise our children and care for our aging parents, so our Social Security payments are not enough to live on. That's why we all go to the Senior Center for the hot lunches, even though the food is terrible.*



**Susan Hoang, CalWorks, Orange County**

*I started community college two years ago at the age of 28 and pregnant with my third child. I was definitely a fish out of water. It was hard to ask for help and accept that, for a bit of time, I would be on public assistance. I was afraid of what people would think of me, knowing what people say about single mothers on welfare. But I tried to stay focused on the big picture, which was a brighter, better future for my children and myself.*

*I graduated Orange Coast College last fall and am now doing a Health Science Major at California State Fullerton, with a minor in Gerontology. My immediate goal is to complete a Master's degree in either Nursing or Health Administration. My long-term goal is to establish a hospice.*

*College has been a great experience for me. And I know that I'm an excellent role model for my three children, and that they really understand the importance of working hard to get an education.*

*I didn't do it alone; the CalWORKs Program at Orange Coast College helped me by giving me the support, confidence and reassurance that I can do this and I will succeed. Though I have some very big plans to complete, I know now that I can do it. I've come this far already, and I don't plan on stopping!*



**Sheri Lawson, Orange County**

*Medi-Cal literally saved my daughter Shelsi's life.*

*In late 2006 Shelsi's husband's job was relocated, so they had to move. His employer didn't offer health insurance, and she lost her job and health coverage due to the move.*

*In January 2007, Shelsi was diagnosed with Non-Hodgkins Lymphoma. The mass in her chest had invaded her heart and collapsed her right lung. The doctors told us she would need a tertiary facility staffed with a cardiothoracic surgeon and team in case the chemotherapy also left holes in her heart.*

*The hospital staff worked tirelessly to get Shelsi approved for Medi-Cal so she could get the treatment she needed to save her life.*

*In May 2011, after many rounds of chemo, radiation, brain surgery and ultimately a stem cell transplant, Shelsi graduated Magna Cum Laude from Cal State University Channel Islands. Right before she graduated, Shelsi found out that she no longer qualifies for Medi-Cal, and thus the yearly scans she had scheduled to see if she is still cancer-free had to be cancelled.*

*We are so grateful for the assistance the State of California and Medi-Cal gave our family, and we sincerely hope that Medi-Cal continues helping people who find themselves in need. I'm not sure what the answer to the state's budget problem is, but I know it's not denying people life-saving treatment.*



**Linda Smith and Barbara Lachmund, Carmel**

*It's very difficult to keep an elderly person living at home. My husband quit his job to help me care for my mother Barbara, 99, so we're living on just my salary and the little we get for being her IHSS provider. But we do not want to put her in a nursing home.*

*We spend \$150-220 a month on Depends because she's incontinent, plus her hearing aid batteries and her emergency response device. Mom lives on just SSI & Social Security, so the cuts to SSI and IHSS hours have increased our financial anxiety quite a bit.*

*There used to be a program called Multi-Services Senior Program (MSSP) that provided a bit of help, but that got cut. It gave us a little financial help with mom's medical supplies, and now we have to absorb all those costs ourselves. Most important, though, was the relationship with mom's social worker. She was so kind to mom, and to us.*

*I can't imagine the terror an elderly person who doesn't have any family must suffer with the cuts and the loss of human contact, that's just cruel. Mom's social worker told me several of her clients died when they heard she wasn't going to be able to come anymore.*

*I see all the wealth around us and it seems like something is wrong with this picture.*



**Charles Brenizer, IHSS Consumer and Connie Wemple, IHSS Provider, San Luis Obispo**

*This is my friend Charles Brenizer, and I've cared for him for thirty years in our home. To me the cuts to in-home support have never been clear. It's so important that people with disabilities and the elderly be allowed to make their choice, as to who cares for them and where they live. They have a right to a quality life that they cannot get in a nursing home. I used to work in a nursing*

home. The care they receive from a group of people in a nursing home compared to one individual taking care of them in their own home, there's no comparison. Charles has a right to choose where he lives and who cares for him. With more cuts to the IHSS program, although Charles and I have a long-term relationship, we may be forced to look at the future of our provider-recipient relationship. I have a home and a family to support and it's unfair for anybody to be in this position. It comes down to basic human rights. This is about happiness and the right to be able to choose to stay in your own home, if that's what you want.



**Darryl Elliott, San Luis Obispo**

*As a young teen, I was in a horrific car accident that left me with a severe brain injury. I suffered memory loss and failed high school, but was able to get a job as a Retail Manager for the May Company. Over the next 15 years, I had a good career and opened new stores throughout California and Arizona.*

*Then in 1998, I had my first psychiatric breakdown and lost everything: my job, my car and my home. I lost both my parents and became homeless. I was eventually diagnosed with bipolar disorder, with features of mania and depression, schizophrenia, post-traumatic stress disorder, and schizoaffective disorder, but it was a long, hard road before I got the correct diagnosis and got on the road to recovery.*

*Then in 2007 I got connected with Transitions Mental Health Association. They helped me find housing and, through a variety of programs, gave me the tools I need to stay well on a daily basis. A year later I became a Peer Mentor for Transitions; shortly after that I joined the staff. Coordinating the Peer Advisory Advocacy Team has been the most rewarding experience and a big part of my continued recovery.*

*There are a lot of people out there who think those with mental illness are beyond help. Mental illness is a brain chemical imbalance and can be treated. My life now is very rewarding, and I'm so grateful for the programs that helped me get where I am today.*



**Sue Barnett, Sonora**

*As a UC Berkeley graduate and Alameda Police Department technician, life was good with my husband for almost 20 years. Then, at the age of 45, I suffered a stroke and my life was never the same again. The left-side hemiparesis left me without use of my left arm and weakness in my left leg, which makes everyday tasks difficult to do. After three years, my*

*husband left me. He had severe diabetes and died 18 months later. I lost my job and was left with nothing and nobody to care for me.*

*I checked into a skilled nursing home in Oakland. There were drug dealers circling outside, and inside, the workers were paid so little, they didn't care. There was only one Registered Nurse on duty at any one time and nurses' aides were not qualified for the jobs. The workers stole and hid food intended for the patients so we never could have enough to eat. We got fresh fruit but never any fresh greens. I would be left alone for hours without exercise or activities. I ended up hiding my bed pan because if I called*

*someone, no one was available to help me to the bathroom. I had insurance from Kaiser and some Supplemental Security Income/State Supplemental Payments (SSI/SSP) to last about three years in the nursing home.*

*I stayed at a rest home in Moraga for a year. If you had money, you were well taken care of. But if you were on Medi-Cal, they housed you in the recesses. I signed over my Social Security checks and maybe got something back once in a while. Later, I ended up in Tuolumne with a friend who beat me. Doctors at Tuolumne General Hospital noticed bruises and helped me recover.*

*After that, I was warehoused in a residential care facility in Tuolumne where it was nothing but doom and gloom. Laughter and jokes were frowned upon and I felt emotionally abused and neglected. The place had cockroaches and rats, and holes in the floor. I paid \$900 a month for a bed with no linens in a semi-private condemned room, which only left me with \$15 a month to spare for any other necessities. I applied for subsidized housing and bounced from place to place while I waited for three years on a list for a federally funded apartment in Sonora to become available. There, I met a neighbor who introduced me to a social worker and Sierra LifeNet ADHC.*

*For the first time since my stroke, I was treated like a real human being. The center is full of life. Humor and laughter are encouraged and I'm able to do things like I used to do. The people at Sierra LifeNet don't treat you like you're disabled or like a three year old. The medical care is excellent and I could not ask for a better doctor. I used to feel like my joints were so thin that they would break like crystals. They don't feel that way anymore and the physical therapy provided by the center has helped me feel like my joints are no longer frozen and my gait has improved. I walk better and have built up my strength. I have learned from the doctors about my limitations but they also have taught me not to be afraid of trying something new. The center offers friendship and I have many dear friends. They'll call me when I'm home to warn me of a snowstorm and put me in touch with people who can help. The center gives me a reason to get up in the morning.*

*With the center closing, there is no one now who will care for me, be my friend and be there when I need help or have a bad day. People at Adult Day Health Care understand what others don't.*

## II. ENDNOTES/REFERENCES

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<sup>i</sup> *Recent Cuts to CalWORKS Have Significantly Affected Families and Local Communities*. California Budget Project. 11 May 2011  
[http://cbp.org/pdfs/2011/110511\\_Impact\\_CalWORKS\\_Budget\\_Cuts.pdf](http://cbp.org/pdfs/2011/110511_Impact_CalWORKS_Budget_Cuts.pdf)

<sup>ii</sup> Ibid.

<sup>iii</sup> Ibid.

<sup>iv</sup> *Lost Capacity: Cumulative Losses to California Seniors and People with Disabilities*. Senior services Coalition of Alameda County. 18 May 2011

<sup>v</sup> *The Governor's Proposed Budget would Eliminate In-Home Supportive Services for more than 476,000 Low-Income Seniors and People with Disabilities*. California Budget Project. 23 April 2010 [Link](#).

<sup>vi</sup> Ibid.

<sup>vii</sup> Ibid.

<sup>viii</sup> *SSI/SSP Cut Means Life's about to Get Tougher for Seniors and People with Disabilities*. California Budget Project. 31 March 2011.

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<sup>ix</sup> Key Facts about Child Care and Development Programs in California. California Budget Project. February 2011.

[http://www.cbp.org/pdfs/2011/110207\\_Childcare\\_Facts.pdf](http://www.cbp.org/pdfs/2011/110207_Childcare_Facts.pdf)

<sup>x</sup> Ibid.

<sup>xi</sup> Alameda County Developmental Disabilities Council

<sup>xii</sup> Ibid.

<sup>xiii</sup> California Association of Food Banks