

Governor Calls for Deep Cuts to Close Budget Gap

Governor Schwarzenegger unveiled his 2010-11 Budget proposal on January 8th. California faces a \$19.9 billion deficit that includes a \$6.6 billion shortfall from the current 2009-10 budget and a \$12.3 billion gap in 2010-11. The Governor's solution for a balanced budget includes a combination of spending reductions, increased federal funding, funding shifts and alternative funding options such as the extension of certain temporary tax increases. While the proposal includes harsh cuts to health and human services, reductions in education, and diverts revenues generated by Proposition 10 (1998) that established First Five California for early childhood healthcare and education programs and Proposition 63 (2004) that expanded mental health services, it offers no new tax increases. The budget actually includes tax cuts that reduce state revenues and exacerbate the budget gap.

The Governor's Budget proposal also relies on an assumption that California will receive \$6.9 billion in additional federal funds. If the funds are not received, the proposal "triggers" another \$4.6 billion in spending reductions.

Cuts to Health & Human Services

The Governor proposes severe cuts to health and human services totaling close to \$2.9 billion. Many of the current proposals are recycled from previous years and were ultimately rejected by past legislatures.

Specific cuts include:

- Imposing limits on Medi-Cal services and utilization controls and requiring increased co-payments, premiums or both in 2010-11
- Eliminating Medi-Cal Eligibility for immigrants living in the US for less than 5

years effective March 1, 2010, impacting about 90,000 legal immigrants

- Reducing eligibility for the Healthy Families Program from 250% FPL to 200% FPL effective May 1, 2010 affecting roughly 225,000 children and reducing funding for the California Children's Services program for Healthy Families-eligible children
- Eliminating vision benefits for children in the Healthy Families Program and increasing premiums for families in the 151-200% FPL effective July 1, 2010
- Eliminating the California Food Assistance program that provides nutritional benefits to qualified legal immigrants ineligible for federal food stamps.

If the federal government fails to provide sufficient funds to California, the budget calls for additional "trigger cuts" to Health & Human Services. These include:

- Reducing Medi-Cal eligibility to the minimum allowed under current federal law (72% FPL for most adults and 133% FPL for children and pregnant women)
- Eliminating many Medi-Cal services including the Family PACT program, CHDP Gateway, Breast and Cervical Cancer Treatment Program and Medically Indigent Long-Term Care program
- Eliminating the Healthy Families Program resulting in the loss of healthcare coverage for nearly 900,000 children
- Eliminating various health services programs funded by Proposition 99 that include Access for Infant and Mothers, MRMIP's high-risk pools for those denied coverage for pre-existing conditions, Every Woman Counts cancer screening, Asthma Control Program, and Expanded Access to Care program

- Cutting In-Home Supportive Services programs that provide home care for those unable to assist themselves.

Community Health Councils' coalitions will continue to advocate against the severe cuts to critical programs that provide healthcare coverage for millions of Californians. We ask that alternative revenue solutions and responsible actions that do not jeopardize the health of children and families be used to address the budget deficit. For more information on our advocacy efforts, contact Catherine Sepulveda via email at Catherine@chc-inc.org.

The full text of the California State Budget for 2010-11 is available at the California Department of Finance website at <http://www.ebudget.ca.gov/>. For additional analysis, please visit the California Budget Project at <http://www.cbp.org/> and the Legislative Analyst's Office at <http://lao.ca.gov/>.

Community Health Headlines

Streamlined Permitting Could Promote Healthy Development

Los Angeles Mayor Antonio Villaraigosa in December renewed his pledge to streamline the permit process for new construction as part his administration's latest emphasis on economic development and jobs creation. In 2008, Villaraigosa and Council President Eric Garcetti introduced a proposal to reduce the number of departments that developers must contact to secure approval from 12 to 2: the Planning Department for entitlements and the Building and Safety Department for permits. Unfortunately, the plan never materialized, striking a blow to advocates of healthy development projects like grocery store attraction in underserved communities. Villaraigosa pledged to rectify that through his appointment of Deputy Mayor of Economic Development Robert "Bud" Ovrom to lead the city's Department of Building and Safety. The city also hopes to lure companies with financial incentives from the Department of Water and Power and the Community Redevelopment Agency to make power and real estate more affordable. CHC hopes the Villaraigosa administration will not only target

biotechnology firms, clean technology companies and the entertainment industry, but also industries that improve the public's health and support low-income jobs.

Congressional Resolution Supports Fresh Food Financing

Congresswoman Allyson Schwartz (D-Penn.) has introduced a bi-partisan resolution recognizing the need for a national program to provide an effective and economically-sustainable solution to the problem of limited access to healthy foods in underserved communities. The *National Fresh Food Financing Initiative* (H.Res. 975) would provide flexible grant and loan financing for the development of grocery stores and supermarkets to increase access to affordable healthy food, improve health and stimulate local economic development. It is modeled on the successful Pennsylvania initiative—a public-private partnership created in 2004 that has helped develop 78 full-service grocery stores in underserved rural and urban areas and created or retained 4,800 jobs.

Upcoming Events

Building Healthy Communities Planning Workgroups. *Saturday, February 6th, 9am-Noon.* Join South Los Angeles residents and advocates in The California Endowment's partnership with local communities to create a healthy environment. Help identify state and local changes to make our community healthier. Free childcare, simultaneous translation, and continental breakfast. Weingart YMCA, 9900 S. Vermont, Los Angeles 90044. For registration and more information, contact Sadio Woods, Community Liaison, Sadio@chc-inc.org.

MLK Hospital Community Planning Workshops. *Wednesday, March 24th, 5:30-9pm. Location: TBD.* Provide your ideas and input to guide the development of the new Martin Luther King Medical Center. For more information, contact Karla Diaz with the Office of Supervisor Mark Ridley-Thomas at Karla Diaz at 213.974.2222 or kdiaz@bos.lacounty.gov.

**FOR MORE INFORMATION ... CONTACT
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