

State Budget Signed: Damage Assessment Begins

A budget deal was finally reached last week. Unfortunately, that's about all the good news from Sacramento for people with disabilities, seniors, service providers, IHSS workers and others.

The budget approved by both the State Senate and Assembly and signed by Governor Schwarzenegger contains drastic cuts to health and human services, education and transportation. They include: \$150 million slashed from transit and then the total elimination of state funding for local transit through 2013; \$25 million from county administration of Medi-Cal; \$189 million from a 3% rate reduction and more cuts for Developmental Disabilities Regional Center rates; \$594 million through suspension of the June 2010 SSI/SSP grant cost of living adjustment (COLA) and no pass through of the federal SSI COLA; and \$79 million from suspension of the 7/09 CalWORKS COLA.

The Budget: Backfilling Subject to Voter Approval

Proposition 63 of 2004 increased taxes on high income individuals in order to increase funding for new mental health services in the state. The current budget asks voter permission to take those funds for two years and "backfill" existing programs that are being cut. Essentially, it asks voters to allow Sacramento to ignore the intent of Prop. 63.



\$10 billion from the recently passed **Federal Stimulus**. Even with the stimulus money, however, there are no guarantees that the additional cuts won't be made or that they will be back on the chopping block when elected officials in Sacramento begin drawing up the 2009-2010 state budget.

The "triggered" cuts include SSI/SSP grant reductions of \$20 per month for individuals and \$35 per month for couples; 10% reduction in sup-

port for public hospitals; a cap in State participation in In-Home Support Services wages to \$9.50 per hour for wages and \$0.60 an hour for benefits; prohibiting any new IHSS clients from receiving a Medi-Cal Share-of-Cost Buy-out; 4% reduction in CalWORKS grants; \$100 million reduction to higher education funding; and the elimination of 8 optional Medi-Cal benefits, including adult dental, acupuncture services, audiology & speech therapy services, chiropractic services, optometric and optician services, podiatric services, psychology services, and incontinence creams and washes.

The Budget: The picture is still hazy.

Much depends on how much CA receives from the **federal stimulus package** and what voters decide in May. No one can say where the economy is going either, and the projected budget deficit figures for the next year could be low, resulting in another budget battle.

There are also a host of other cuts that will be "triggered" by April 1 if the State does not receive at least

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In Every Cloud....?

If the IHSS wage decreases go into effect, workers in at least 17 CA counties will receive major pay/benefit cuts. Since IHSS providers in Humboldt County currently receive only **minimum wage** with **no benefits**, there's nowhere to cut! However, the effect of the state budget on their clients will be another story.

Adding to the pain of these cuts are increases in taxes that include a one cent on the dollar increase in the sales tax, a jump of 0.25% in personal income taxes, a decrease in dependent credits and an increase in vehicle owner license fees from 0.65% of a vehicle's value to 1.15%. Meanwhile some avoided the pain by getting **tax cuts (!)**, including, large corporations, film companies, buyers of new homes

What Can We Do?

Our elected officials have been totally engrossed in the budget process for months. What about other legislation? Anything that costs money is probably on the back burner for a long while. What is needed are creative, no-cost ideas for legislation that will soften the blows of these cuts. Give them some ideas!

and small businesses that hire new employees .

Finally, several measures will be put to the vote on May 19 in a special election. This will include establishing a permanent state spending cap, and voting on **diverting money** from **children's services, mental health programs** and the lottery.

ALERT! Medi-Cal "**optional**" benefits will likely be cut. If you can get to the dentist, podiatrist, etc, soon, it may be a good idea to save some money in the near future.

FACTS:

A 2008 report by the nonpartisan California Budget Project found that CA was ranked **17th in taxes**. However, we've tumbled to **47th in education** and ??? in health & human services.

Local Happenings

March 7--11 a.m.-3 p.m., Bayside Grange--Humboldt Pie II fundraiser for TCIL

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