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Key Points of Governor's Proposed May Revision of 2008-2009 State Budget

The Governor recently released his May Revision of the 2008-2009 State Budget which accounts for changes in revenues since January. In this budget, the projected shortfall is \$17.2 billion (compared to the \$14.5 billion that was projected in January). Included in this increased deficit is the fact that revenues have come in \$6 billion lower than projected in January.

An analysis of the May Revision has revealed the following key new cuts which AACRE will be heavily involved with:

- Elimination of the Cash Assistance Program for Immigrants (CAPI), which provides benefits to aged, blind and disabled legal immigrants for a savings of \$111.2 million. The average monthly caseload for CAPI is roughly 10,300 individuals. Over 98% of CAPI recipients are sixty-five years or older, and Asians and Pacific Islanders participate in CAPI at a much higher rate than any other ethnic group in California. Over 80% of CAPI recipients are APIs.¹
- Restriction of Medi-Cal benefits for legal immigrants who have been in the country less than five years. The Governor has proposed a drastic reduction to health care for recent lawful immigrants so they can only access minimal services such as emergency care, family planning and long-term care. Currently Medi-Cal provides full-scope coverage for these immigrants. The administration estimates a savings of \$86.7 million for this proposal in 2008-2009. However, restricting low-income immigrants' access to Medi-Cal will not necessarily result in significant cost savings since providing comprehensive health coverage reduces the unnecessary use of high cost emergency room services. Uninsured individuals are more likely to use emergency rooms as their regular source of care.
- Implementation of a monthly eligibility renewal requirement for emergency services for undocumented immigrants for a savings of \$42 million.

These cuts target the most vulnerable individuals in the Asian and Pacific Islander community. Many elderly, disabled and low-income APIs rely on the benefits provided by CAPI and Medi-Cal. In fact, CAPI was established in 1998 under Republican Governor Wilson to help ensure that California's elderly and disabled legal immigrants are provided with critical assistance to pay for housing, food and other basic necessities. Cuts targeting these essential services for immigrants are short-sighted at best.

In addition to the new cuts above that were not a part of the Governor's January budget proposal, the following cuts remain from the January proposal which are already AACRE priorities:

¹ "Demographic, Caseload, and Expenditure Data on Recipients Participating in the Cash Assistance Program for Immigrants June 2002." Cash Assistance Program for Immigrants. June 2002. California Department of Social Services Research and Development Division Data Analysis and Publications Branch. 27 Dec. 2005 <http://www.dss.cahwnet.gov/research/res/pdf/CAPI6_02.pdf>

- Reduction in the average monthly benefit for recipients in the California Food Assistance Program (CFAP) from approximately \$91 to \$82, affecting 23,400 people.
- Ten percent reduction of \$300,000 in funding for the Naturalization Services Program (NSP). Current funding for NSP is \$3 million. This decrease reflects the 10% across the board cut the Governor has proposed for all state agencies and departments.
- Reduction in the budget for the Department of Fair Employment and Housing of \$1.8 million and the elimination of 18 positions in the department. This reduction represents the 10% across the board cut the Governor has proposed for all state agencies and departments.
- Reduction of \$166,000 for the State Personnel Board to monitor agencies' implementation of the Dymally-Alatorre Bilingual Services Act. The Dymally-Alatorre Bilingual Services Act requires state and local agencies to provide meaningful access for limited English proficient individuals to government services.

In the midst of these bleak cuts, there is one continuing bright spot in the Governor's budget that is also an AACRE priority. The Governor has allocated \$40,000 for a position to monitor bias-related discrimination and harassment incidents in schools. This funding is a result of AB 394, legislation that was co-sponsored by AACRE and Equality California in 2007.

Also included in the May Revision was a proposal to securitize the California State Lottery to generate approximately \$15 billion over the next three years. This proposal would require voter approval. In the event the voters reject this plan, a one cent sales tax increase would be triggered to replace the funds that would otherwise come from the lottery securitization.