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Summary of Key Budget Provisions Impacting Low-Income Californians June 15, 2016

On the constitutional deadline to pass the state budget the California Legislature is voting on a conference committee package agreed to with the Governor. The budget bill and several “trailer bills” includes the following important actions affecting poor Californians:

CalWORKs

The budget repeals the CalWORKs Maximum Family Grant rule beginning January 1, 2017 both prospectively and retroactively for all 130,000 children currently not provided CalWORKs benefits. This will increase the family grant by \$136 per child.

The budget increases CalWORKs grants by 1.4% for all households. A family of three will see an increase of \$10 per month. Grants will increase to a maximum of \$714 a month which is 42.5 percent of the federal poverty level.

The budget eliminates the once-a-lifetime limit on the CalWORKs Homeless Assistance Program (HAP). A family will be able to receive HAP once each year if they qualify. Exceptions for natural disasters and domestic violence continue, allowing some families to access HAP more than once in a calendar year.

The budget increases funding for the CalWORKs Housing Support Program by \$12 million bringing the total funding in the program to \$47 million.

The budget provides \$8.7 million in additional Proposition 98 funding to support the Community College CalWORKs programs.

The budget includes trailer bill language requiring DSS, OSI and the Department of Public Health to study the viability and benefits of providing vouchers for CalWORKs families to purchase diapers for young children.

SSI/SSP Assistance

The budget provides a cost of living adjustment of 2.76 percent to the state’s contribution to the SSI grant beginning January 1, 2017. For a single individual this will increase the grant by \$4 a month and for couples by \$11 a month.

Homelessness: No Place Like Home Initiative

The budget provides a \$2 billion bond funded by proceeds from the Mental Health Services Fund to build 10,000 units of supportive housing for persons who are homeless and living with mental illness.

The budget provides \$45 million for a new program called the Housing and Disability Income Program. The program will provide matching funds to counties to provide robust SSI benefit advocacy and housing for people whose SSI applications are pending.

The budget provides \$45 million for rental housing assistance for homeless persons.

The budget provides \$10 million for the Bringing Families Home program to help homeless families in the child welfare system reunite.

Housing

The budget earmarks \$400 million in one-time funds for affordable housing. How the funds would be spent is unspecified at this point, but could include housing for low- and very low-income families, supportive housing for those at risk of or exiting homelessness, and farmworker housing.

Expenditure of these funds is contingent upon the enactment of a trailer bill proposed by the Governor to streamline the local approval process for housing projects. Negotiations on this proposal are ongoing and must be completed before the end of the legislative session in August in order for the funding to be spent.

CalFresh and Nutrition

The budget includes trailer bill language that allows counties only to shorten the CalFresh re-certification on a case-by-case basis rather than setting a shorter certification for categories of people.

The budget provides a \$2 million General Fund augmentation for the Statewide Emergency Food Assistance to purchase additional meals for distribution at food banks throughout the state.

The budget provides \$2 million in one-time funds to provide home delivered meals to seniors.

Health Care

The budget limits Medi-Cal estate recovery to the federal requirement so that the state can only recover for long-term care services such as nursing homes, but not basic health care services, effective January 2017. This will no longer be an enrollment barrier for many seniors.

The budget delays implementation of the Newly Qualified Immigrant (NQI) wrap program by one year to January 2018. The NQI wrap program would transition Medi-Cal expansion adults who have less than five years in a “qualified immigration status” to Covered California with wraparound Medi-Cal benefits and no cost sharing.

The budget restores acupuncture as a Medi-Cal benefit. Unfortunately, other benefits that were cut in 2009, including audiology, chiropractic, incontinence cream & washes, optician/optical lab, podiatry, speech therapy and certain adult dental services, were not restored.

The budget provides \$3 million for a one-time fund to establish a multi-county pilot project for in-person Medi-Cal interpreters.

The budget provides \$30 million (\$16M General Fund and \$14M Mental Health Services Act Funds) to build facilities for mental health crisis services geared toward children under 21 through a competitive grant process.

Regrettably, efforts to raise the Medi-Cal Aged & Disabled income eligibility to an amount equivalent to other adult Medi-Cal programs was not included in the budget.

Child and Early Care

The budget provides \$100 million in Proposition 98 funding for 8,877 additional full-day State Preschool Slots to be phased in over 4 years.

The budget makes a number of adjustments to funding levels to assist child care providers in meeting the requirements of the Governor signing SB 3 (Leno), the minimum wage increase, a Western Center co-sponsored bill.

The budget increases Regional Market Rates to the 75 percentile of the 2014 survey as of January 1, 2017—with a two year hold-harmless.

The budget increases Licensed Exempt Rates from 65 percent to 70 percent of the Family Child Care Home Rate as of January 1, 2017.

The budget increase Standard Reimbursement Rates by 10 percent across-the-board effective January 1, 2017.

The budget adopts placeholder trailer bill to implement the above provisions and expresses legislative intent to set the 85th percentile of the Regional Market Rate as the long term goal for reimbursement rate.

Access to Justice

The budget provides \$15 million to the One California program to provide qualified immigration services to low-income California residents who are eligible for citizenship or for deportation relief programs DACA and DAPA.

The budget provides a one-time \$5 million augmentation to the Equal Access Fund bringing total program funding to \$15 million in the 2016-17 budget.