

Squeezing Social Services in California: The Big Picture

**Social Services Workshop
4th Annual CBP Conference:
The Changing Face of California
March 15, 2005**

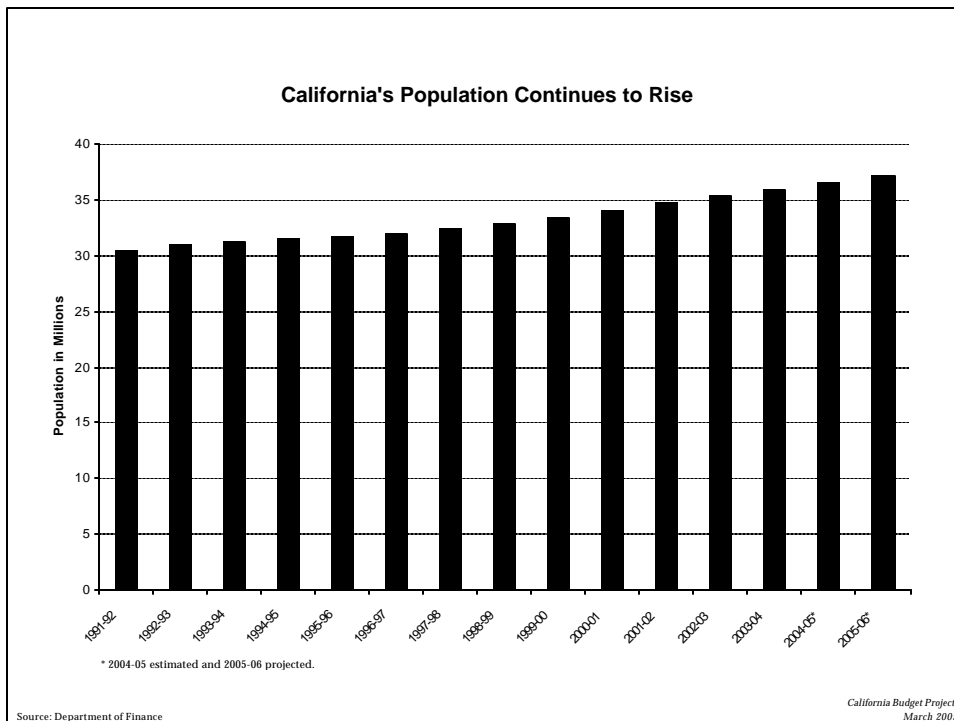
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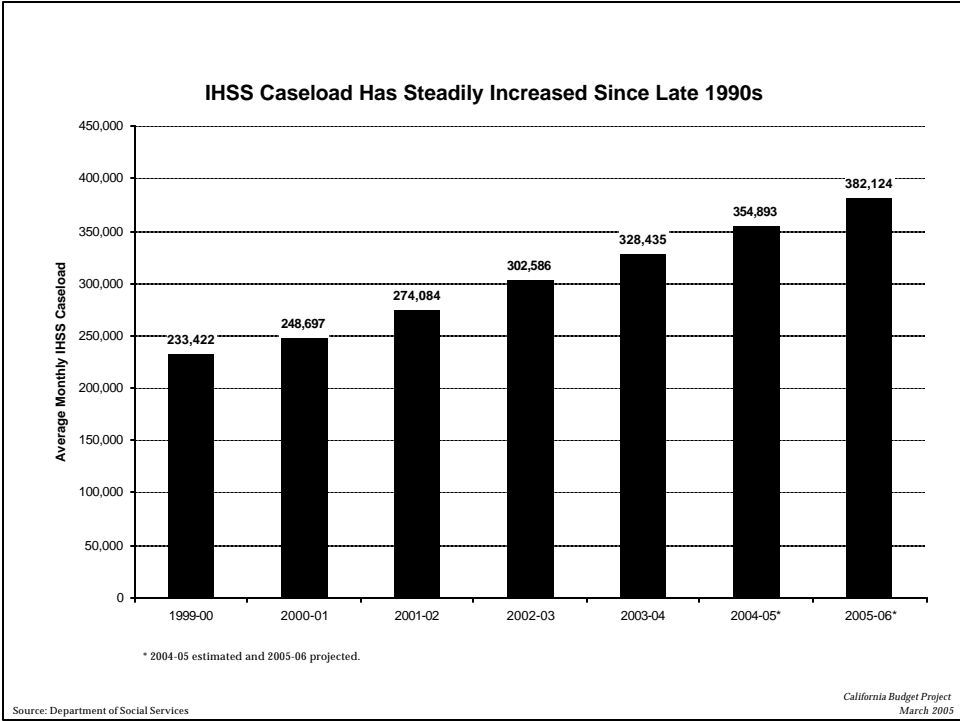
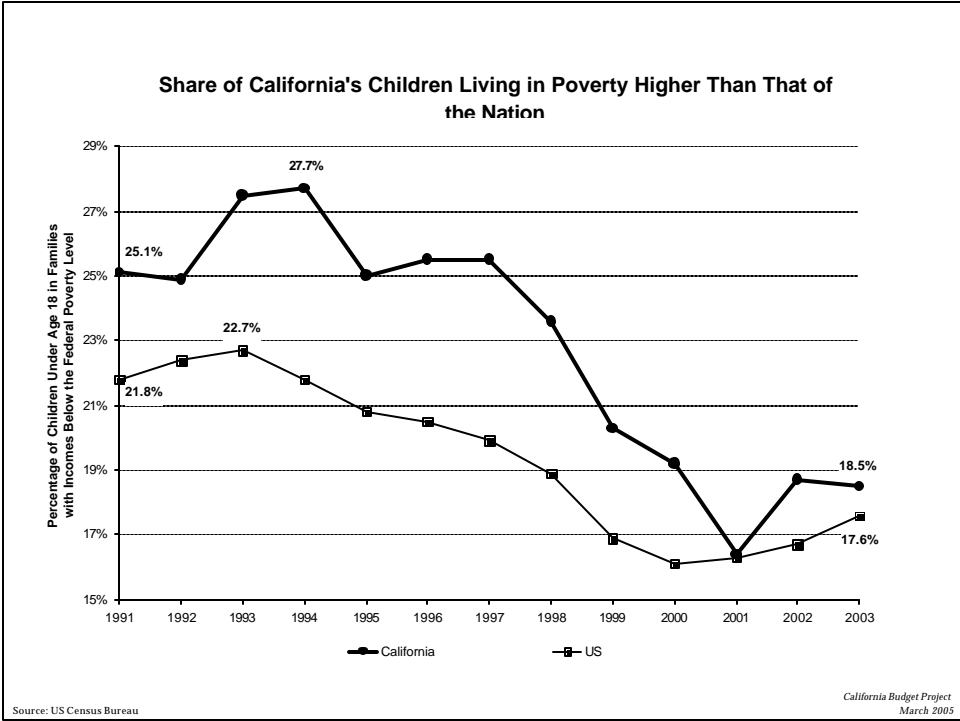
Social Services in California

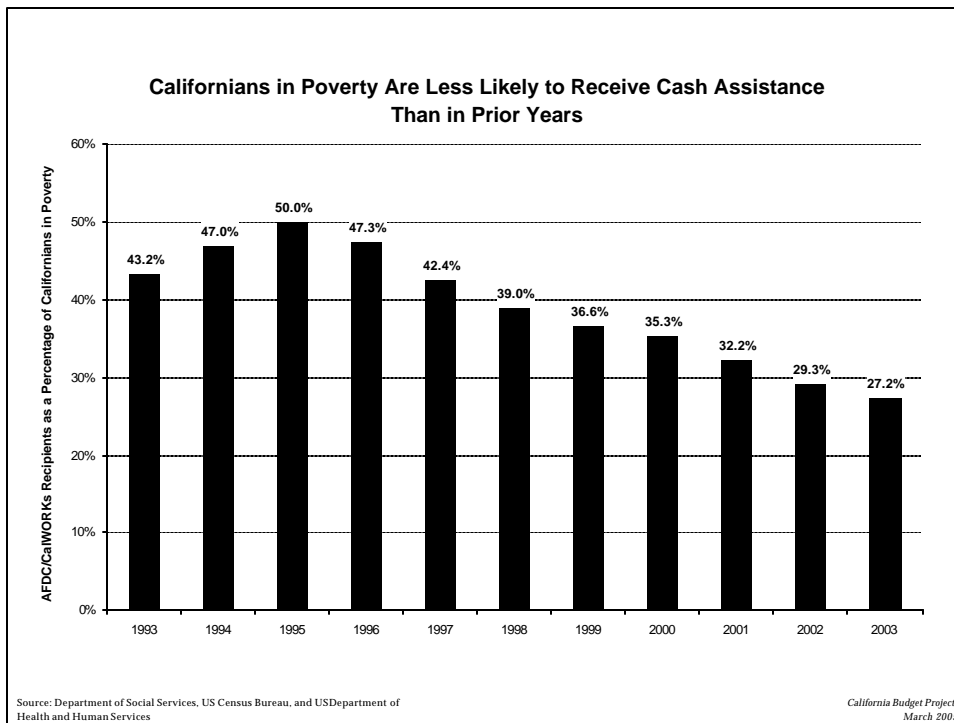
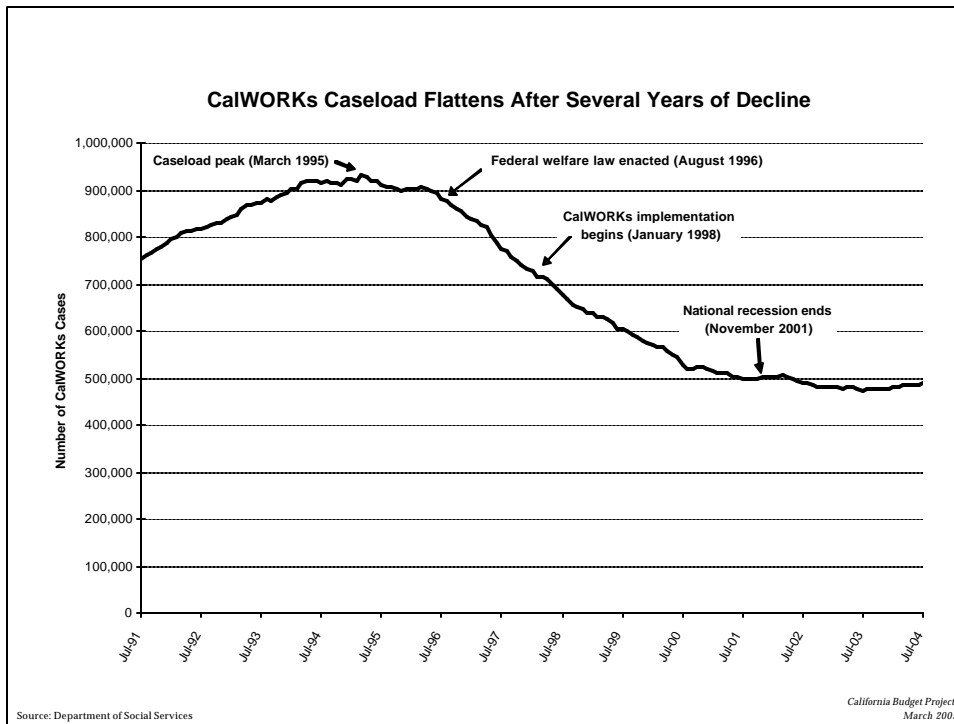
- Family income- and work-support programs:
 - California Work Opportunity and Responsibility to Kids (CalWORKs), subsidized child care, and food stamps
- Programs for seniors and people with disabilities:
 - Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program, In-Home Supportive Services (IHSS) Program, and Adult Protective Services Program
- Programs for children:
 - Child Welfare Services Program, Foster Care Program, and Adoptions Program
- Counties run many of these programs.

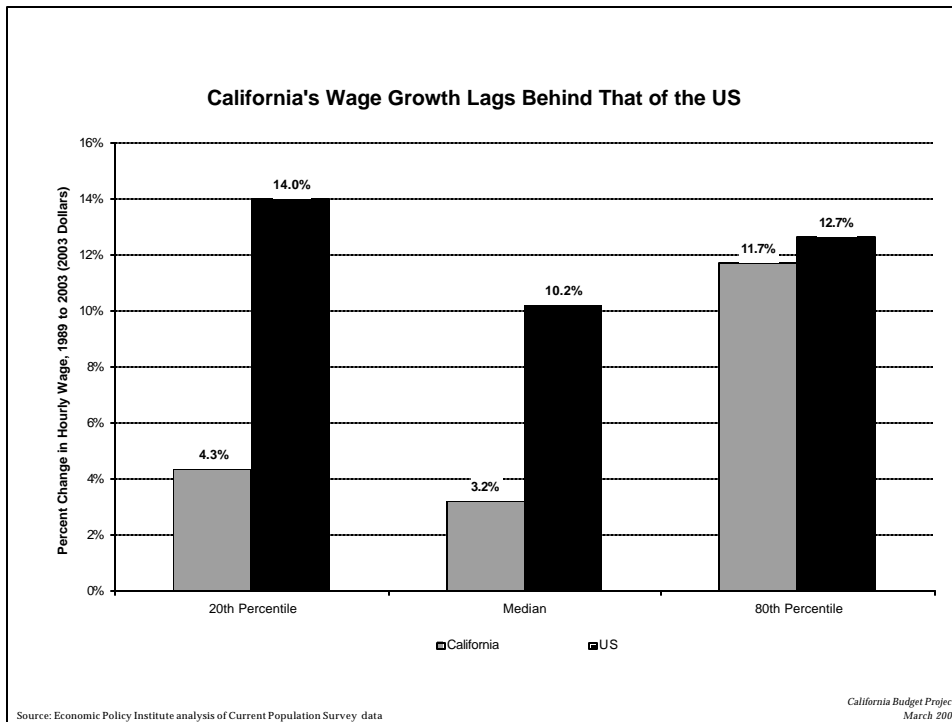
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The Need for Social Services in California









Social Services Programs Are Being Squeezed

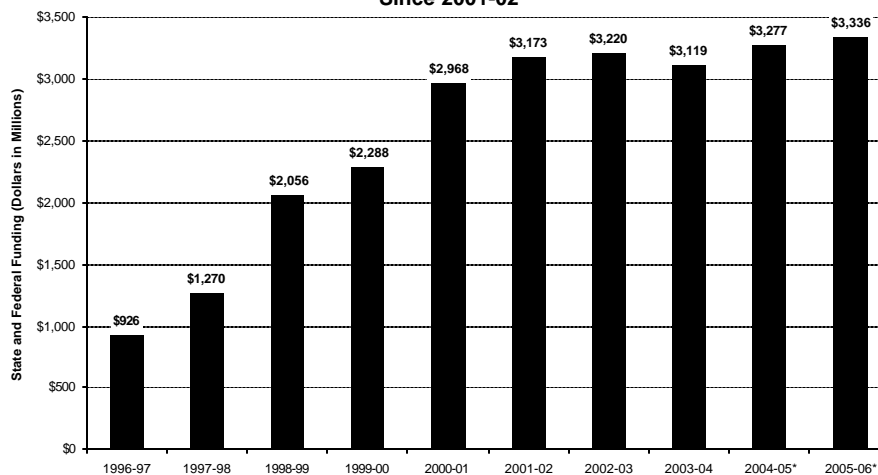
- State and federal governments face large budget gaps.
- New revenues have been “off the table.”
- Major solutions involve borrowing and cuts.
- Social services programs are a major target of reductions.
- Even frozen funding represents a reduction as funding loses ground to rising costs.

The Funding Squeeze...So Far

- California has frozen funding to cover operating expenses for most county-run social services programs since 2001-02.
- The TANF block grant, which supports CalWORKs and other programs, has been frozen since 1997.
- Child Welfare Services funding has been inadequate to meet needs and mandates.
- Funding for California's child care programs has been relatively flat since 2001-02.

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Funding for California's Child Care Programs Has Been Relatively Flat Since 2001-02

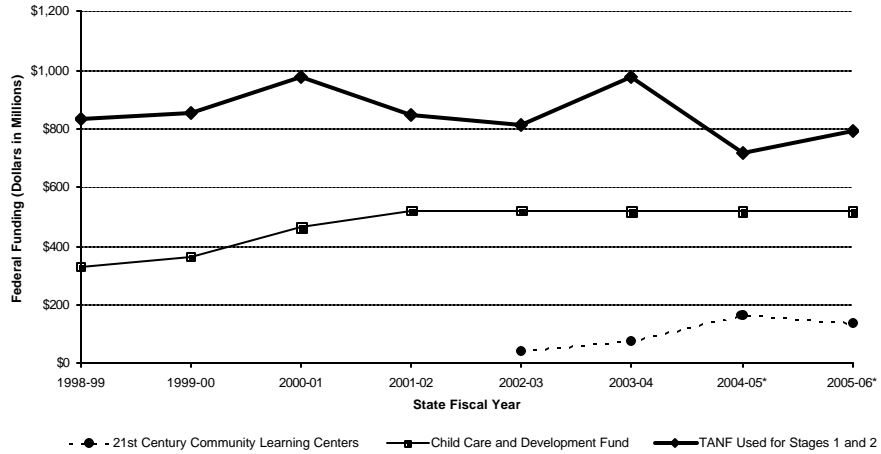


* 2004-05 estimated and 2005-06 proposed.

Note: Includes funding for CalWORKs child care, child care programs for other low-income families and at-risk children, non-direct child care services, state child care tax credits, and state child care facilities financing programs. Does not include federal funding for the Head Start Program.

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**TANF Funding Used for CalWORKs Child Care Has Fluctuated, While
CCDF Funding Has Levelled Off**



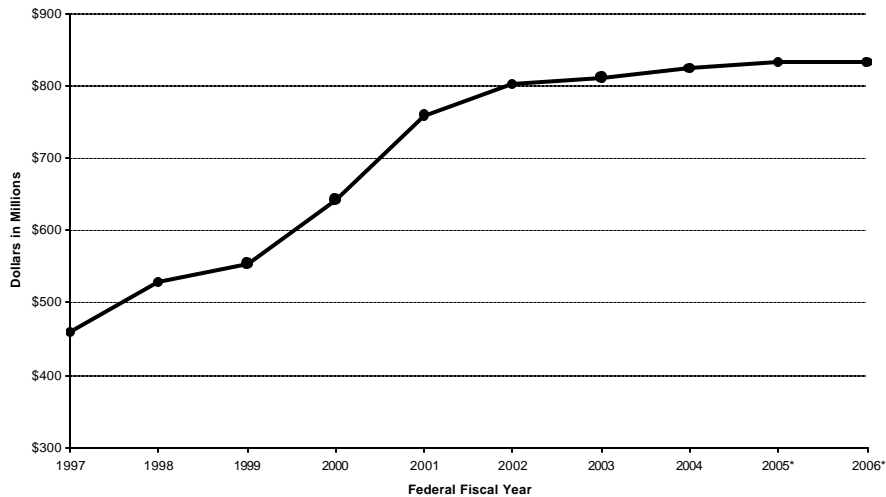
* 2004-05 estimated and 2005-06 proposed.

Note: California began to administer the 21st Century Community Learning Centers Program in 2002-03. Previously, this after-school program was administered by the US Department of Education.

Source: California Department of Education and Department of Social Services

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**Head Start Funding for California Has Levelled Off Following a
Substantial Increase in the Late 1990s**

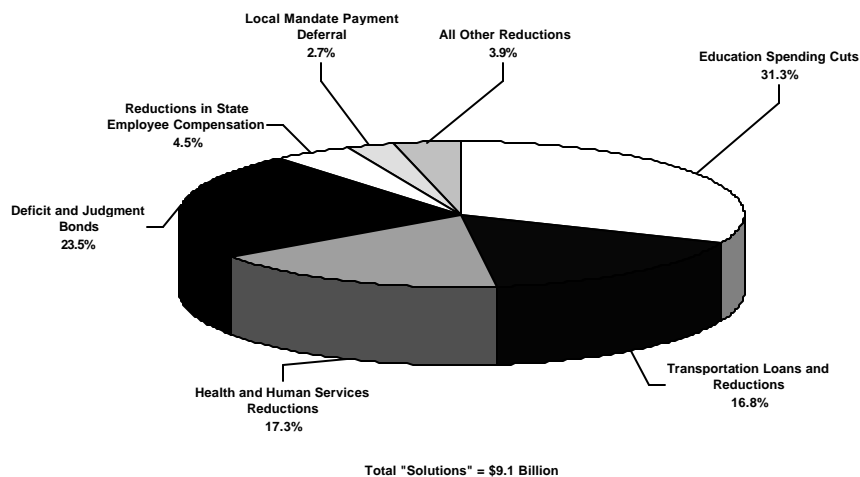


* FFY 2005 estimated and FFY 2006 proposed.

Source: Head Start Bureau, US Department of Health and Human Services

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How Does the Governor Propose to Balance the Budget?
 Percentage of Total "Solutions"



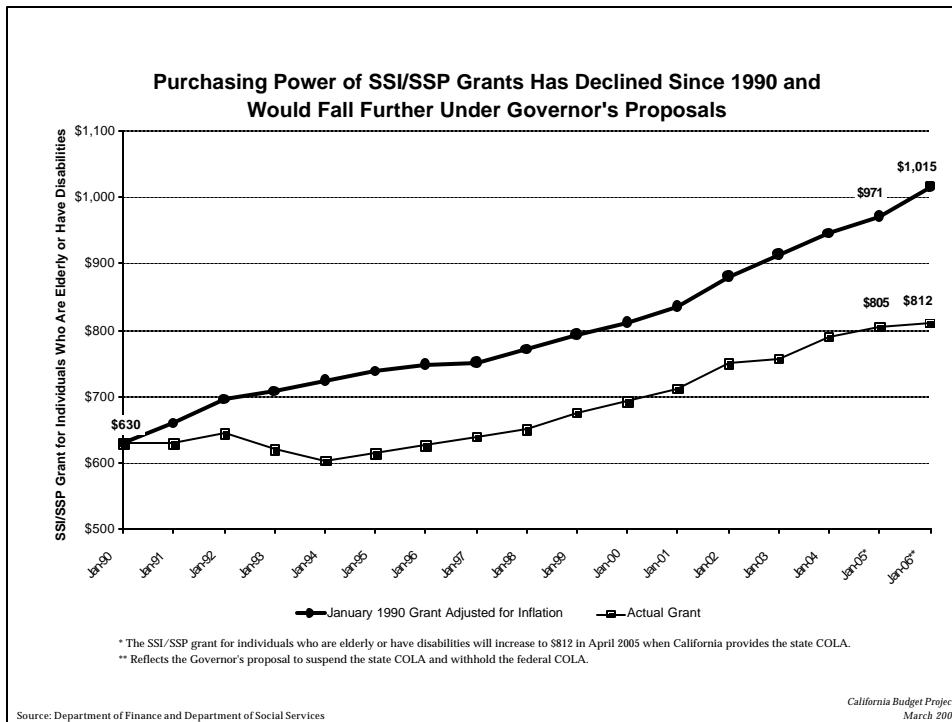
Source: CBP analysis of Legislative Analyst's Office data

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Governor's 2005-06 Budget: Key Social Services Cuts

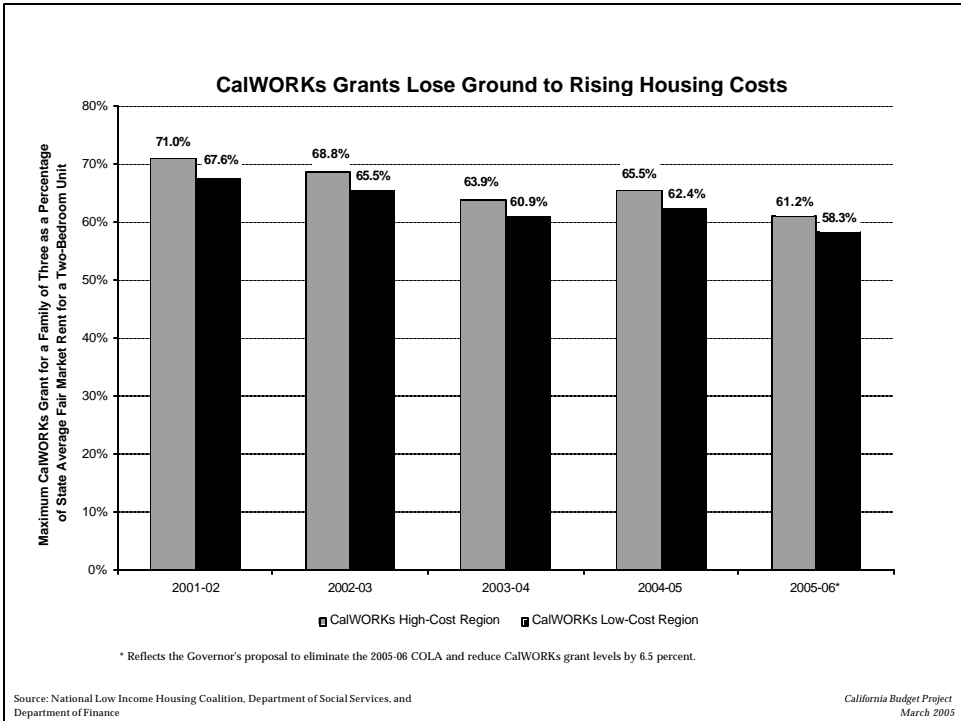
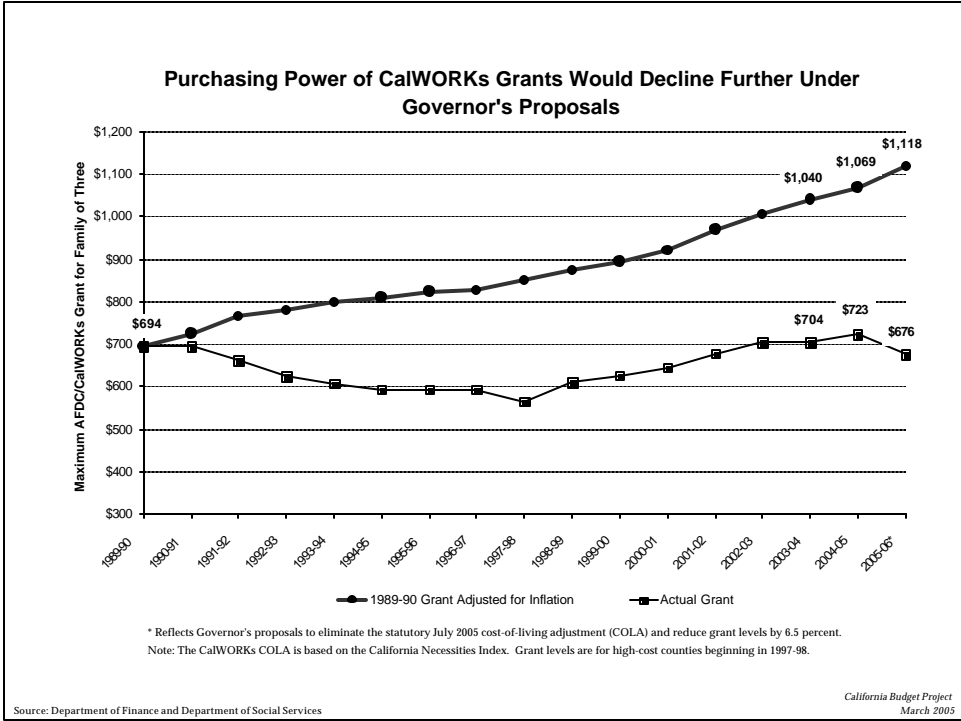
- No increases for county operating expenses.
- SSI/SSP Program:
 - Freeze grants by suspending the January 2006 state COLA and not "passing through" the federal SSI COLA.
- IHSS Program:
 - Reduce state's share of costs for provider wages from \$10.10 per hour to the minimum wage (\$6.75 per hour).
- Seniors' tax assistance:
 - Reduce income eligibility for the renters' tax assistance program to the 1998 level (\$13,200).
 - Eliminate the property tax assistance program.

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Key CalWORKs Proposals

- Eliminate the statutory annual COLA and reduce grant levels by 6.5 percent.
 - Maximum grant for a family of 3 in high-cost counties would drop to \$676 – \$18 less than in 1989-90.
- Reduce the amount of earnings families may exclude in determining the CalWORKs grant level.
- Limit the amount of time that families may receive CalWORKs child care.
- Use federal TANF funds in place of state funds outside of CalWORKs for General Fund savings of \$361.3 million in 2005-06.



President's FFY 2006 Budget: Key Social Services Cuts

- Domestic “discretionary” spending cut by \$214 billion over five years.
- Grants-in-aid to CA reduced by \$10 billion.
 - Head Start slots would fall by 12,900 in 2010.
 - WIC would serve nearly 109,000 fewer children and pregnant women in 2010.
 - Home-heating aid would be cut by \$7.6 million in 2010.
- Other funding frozen (child care, TANF).
 - Nearly 30,000 fewer California children would receive subsidized child care in 2009.

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Proposed Social Services Cuts Would Have Multiple Impacts

- For example, low-income seniors could face:
 - A frozen SSI/SSP grant.
 - Reduced home-heating assistance.
 - Greater difficulty finding and retaining reliable IHSS providers to the extent that wages drop.
 - Greater difficulty paying rent or property taxes.
 - Greater difficulty receiving services through the Adult Protective Services Program due to the state's failure to provide counties with increased funding for operating expenses.

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