

December 11, 2002

The Honorable Judy Chu
Chair, Health and Human Services Subcommittee of the Budget
State Capitol, 6th Floor
Sacramento, Ca 95814

Re: Health Care Cuts

Dear Assembly Member Chu and Members of the Subcommittee:

OUR ORGANIZATION opposes the Governor's proposals to:

- ❖ Reinstate the Quarterly Status Reports (QSR) – the QSR elimination in the 2000 budget act allowed an additional 218,000 to 247,000 adults to retain their health care coverage. The Governor's proposal to reinstate the QSR saves money by affirmatively preventing eligible people from retaining Medi-Cal coverage by requiring them to file burdensome paperwork every three months. The 2002 May Revise estimate of savings assumes that 477,450 persons will lose coverage because of the additional paper obstacles. The Governor claims that reinstating the QSR will not affect children because children have one year of continuous coverage. But the elimination of almost half a million parents from Medi-Cal coverage will have serious implications over a one to three year period on child enrollment, as studies indicate that children are more likely to be insured when their parents are covered.
- ❖ Rescind the 1931(b) Medi-Cal Eligibility Expansion – rolls back the expansion of the 1931(b). Two-parent families with an income between 66% and 100% of the federal poverty level would be ineligible to apply or retain coverage. A family of three would have to make under \$10,000 to be eligible. Rescinding the 1931(b) expansion discourages child enrollment as discussed above.
- ❖ Medi-Cal Provider Rate Cuts – reduces all Medi-Cal provider rates by 10% effective April 2003. The supply of specialists that serve Medi-Cal children has been a growing problem. Rates of recompense for medical specialists treating children are often below out of pocket costs for those doctors and are commonly a fraction of private market rates or of Medi-Care rates payable for treatment of the elderly. The Medi-Cal compensation rate for a physician office visit is \$24, ranking California a low 42nd among the 50 states in amount provided. Reducing the reimbursement rate will discourage physicians from serving Medi-Cal children.

It is tempting in times of financial stress to snip away at programs to balance the budget however, eliminating health care services will have innumerable negative consequences that will ripple throughout children's lives for years to come.

Sincerely,

December 11, 2002

The Honorable Joe Simitian
Chair, Education Subcommittee of the Budget
State Capitol, 6th Floor
Sacramento, Ca 95814

Re: Elimination of CalWORKs Stage 3

Dear Assembly Member Simitian and Members of the Subcommittee:

OUR ORGANIZATION opposes the Governor's proposal to eliminate CalWORKs Stage 3 child care services effective April 1, 2003 as cited in the Mid-Year Spending Reductions Proposals released December 6, 2002.

Over 29,000 families including 55,000 children will lose their child care if Stage 3 is eliminated. These are the working poor families with an average annual income of \$12,000 who rely heavily on Stage 3 child care services in order to access and maintain stable employment. A single parent earning minimum wage with one child in full-time care pays approximately 47% of her wages for licensed child care. A family of one mother working full-time at minimum wage with two children under five will earn – after deductions – about the same amount as her child care will cost. One infant will cost about 75% of the mother's take home pay; two children will leave her with \$3000 per year in net earned income. Many families will be unable to afford the real cost of care if their child care subsidy is taken away.

More importantly, children need quality child care in order to better prepare for school and become healthy and productive citizens. For every dollar spent on child care, the state saves over three dollars because children in quality child care are less likely to be unemployed, on cash assistance, or involved in crime as an adult. Ripping away child care encourages a cycle of poverty.

It is tempting in times of financial stress to snip away at programs to balance the budget however eliminating Stage 3 will have innumerable negative consequences that will ripple throughout children's lives for years to come.

Sincerely,

December 11, 2002

The Honorable Judy Chu
Chair, Health and Human Services Subcommittee of the Budget
State Capitol, 6th Floor
Sacramento, Ca 95814

Re: Foster Care Cuts

Dear Chair and Members of the Subcommittee:

OUR ORGANIZATION opposes the Governor's proposals regarding:

- Foster Parent Training Fund – eliminates funding from child support collections for foster parent training programs.
- Residential Care Facilities – removes annual inspection requirement to only prioritized inspection of high-risk facilities for adoption agencies, community treatment facilities, foster family and small family homes, groups homes, foster family agencies, transitional housing placement agencies and residential care facilities.
- Foster Grandparent Program – eliminates the program.

California is responsible for caring for all children placed in foster care – about 130,481 children. Each year, there are over 500,000 reported cases of maltreatment. In fact, for every 1000 California children, there are 38 children touched by the child welfare system. This is alarming considering that almost 25% of reports of maltreatment are substantiated. Indeed, most children are removed from their home due to neglect (77%).

Unfortunately, California has not been successful at caring for its most vulnerable children – foster children. Children that have been taken from their homes are often re-victimized by the foster care system. Anecdotal evidence suggests that many continue to experience abuse and neglect while in the care of the state – its foster parent. Children need to be placed in a loving, family-like environment. However, the state is not doing a good job of recruiting and retaining foster parents. If we continue to treat our most vulnerable children this way, we are propelling the same travesty. Surveys reveal that two years after emancipation 50% have not completed high school, 45% are unemployed, 35% are arrested, 30% do not have access to health care, 25% are homeless, 60% of women have already given birth and less than 20% are self-supporting. Its time we took our parental obligations seriously!

The Foster Parent Training and the Foster Grandparent programs are critical in placing children in loving and stable family-like homes. Further, reducing the inspections from annual visits to a triage approach further endangers the lives of foster children. As a state, we are obligated to protect them. California is facing a looming budget deficit but placing children in significant risks does not ameliorate the problem at hand.

Sincerely,