

CDCAN DISABILITY RIGHTS REPORT CALIFORNIA DISABILITY COMMUNITY ACTION NETWORK



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REMEMBERING THE LIFE AND WORK OF CHRISTINA KEIFER AND AUGUST LONGO

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CALIFORNIA BUDGET CRISIS – BREAKING NEWS:

ASSEMBLY SPEAKER PEREZ PROPOSES “CALIFORNIA JOBS BUDGET” THAT WOULD ELIMINATE MOST OF GOVERNOR’S BUDGET CUTS

Governor’s Proposed Budget Cuts Would Be Rejected – Funds Would Be Borrowed from Bottle Recycling Fund & Raised From Other Revenues Including Oil Severance Tax – Proposal Called “Innovative” By Many Advocates – Would Propose IHSS Provider “Fee” But Would Reject \$750 Million Cut Proposed by Governor

SACRAMENTO, CALIF (CDCAN) [Updated 05/25/2010 03:45 PM (Pacific Time)] – In a dramatic move that could shake the State’s budget picture completely, Assembly Speaker John A. Pérez (Democrat – Los Angeles) unveiled this afternoon a “California Jobs Budget” proposal that he said would reject nearly all of the Governor’s proposed budget reductions to education, health and human services, and save over 430,000 jobs in the State from being eliminated and create over 30,000 new jobs. [CDCAN Note; A 13 page pdf file entitled “California Jobs Budget” released by the Assembly Speaker’s office today is attached to this report. It provides some details on the Assembly Speaker’s proposal.]

“This is a creative approach at solving the two most urgent problems facing our state: creating jobs and closing our deficit,” the Assembly Speaker said this afternoon Pérez, adding that “the California Jobs Budget gets us through a difficult period and puts us much further ahead on the path to economic recovery by focusing on jobs.”

While more details are yet to emerge from the Assembly Speaker’s proposal, most advocates have praised it, though want to take a closer look at it over the coming days and nearly all Capitol observers said the proposal was innovative – even if one might not support the concept.

Senior staff in the Assembly Speaker's office said the proposal was a "first step" in a long process and said it would move forward in the regular budget process in the coming weeks to allow both houses of the Legislature and the public to fully review and comment on the proposal.

Legislative Republicans Likely To Oppose Plan – But Votes Would Not Be Needed

Legislative Republicans are likely to oppose the concept of borrowing and not cutting spending as they have in the past, the Assembly Speaker's proposal as it currently stands would not need Republican votes for passage in either house.

The position of the Governor would be crucial – because even if votes of Legislative Republicans would not be needed – approval by Schwarzenegger would be.

Bottle Recycling Fund At Center of Speaker's Proposal

Perez said that his proposal would include "no new broadbased tax increases" but instead, would "delays corporate loopholes and closes the California Oil Severance Tax loophole."

At the center of the Assembly Speaker's proposal is securitizing (or borrowing against) over about a 20 year period the existing beverage or bottle recycling fund, which currently brings in revenues of about \$1.2 billion a year. That fund is considered a stable source of revenues.

- Borrows ("securitize") about \$8.7 billion from the California Beverage Recycling Fund and, similar to the Governor's earlier proposal, shift \$500 million from the Disability Insurance Fund that he wanted to help off-set State general fund spending. Both the money borrowed from the California Beverage Recycling Fund and shifted from the Disability Insurance Fund would go into a "Jobs and Economic Stability Fund"
- Oil Severance Tax – the Assembly Speaker noted that oil severance tax is required by law in every other oil producing state—including Texas and Alaska, and would be part of his proposal, generating an estimated \$900 million during the 2010-2011 State Budget year and billions more each year for the Jobs and Economic Stability Fund. Assembly budget staff said because the tax would be "revenue neutral", it would only require a simple majority vote in both houses to pass and not require any Republican votes to pass. The oil severance tax money would be used to repay the bottle recycling fund.
- Corporate Tax Credits - The California Jobs Budget would also delay the implementation of corporate tax credits passed as part of the 2008-2009 State Budget, that the Assembly Speaker said were "loopholes" that were created in previous budget solutions. Delaying these tax credits for corporations would generate an additional \$2.1 billion in revenues, according to the Assembly Speaker.

Assembly Speaker Says Proposal Will Protect Jobs, "Basic Safety Net" and Schools

"California has to produce a budget that promotes job creation and makes economic sense," Assembly Speaker Pérez said, "We shouldn't make budget decisions that cut jobs and short change our overall recovery and long term growth. The California Jobs Budget

will protect and create 465,000 jobs in the private sector and local communities while also protecting funding for schools, public safety, and a basic safety net.”

Assemblymember Bob Blumenfield (Democrat – Van Nuys), chair of the Assembly Budget Committee, who was with the Assembly Speaker during this afternoon’s press conference, said that the proposal will be presented to the Legislature and public for a “full and transparent review.”

Perez Says Proposal Closes Budget Shortfall Without Major Cuts

Assembly Speaker Perez said that the California Jobs Budget proposal would close the state’s \$17.9 billion shortfall and ends the State budget year with a \$1 billion final reserve.

Perez said his proposal is focused on creation and protect of jobs in the private sector – but also in protecting schools and health and human service programs.

HEALTH

- Healthy Families – Would fully fund the “Healthy Families” program and reject the Governor’s proposed reductions;
- Adult Day Health Care - would reject the Governor’s proposed elimination of Adult Day Health Care.
- Medi-Cal – the proposal would reject nearly all of the Governor’s proposed cuts to Medi-Cal.
- Mental Health – would reject Governor’s proposed cuts to mental health community-based services.
- Public Health and Clinic Programs - Would also restore about \$70 million for public health and clinic programs that had that funding eliminated as a result of the Governor’s line item veto last July.
- No specific mention was made regarding developmental services or regional center funded community-based services or the proposed closure of Lanterman Developmental Center.

HUMAN SERVICES

- SSI/SSP and Other Grants – Would reject the Governor’s proposed individual grant reduction. Would reject proposed elimination of the Cash Assistance Program for Immigrants and California Food Assistance Program.
- In-Home Supportive Services – rejects the \$750 million proposed reduction to this program by the Governor, but would establish a IHSS “provider fee” that would raise \$150 million. No details on this fee available at the time of this report. The proposal would also establish a stakeholder process to “develop strategies to bring down future State general fund costs of the program while strengthening important IHSS services”. No target amount of savings was listed.
- Human Services Line Item Vetoes from Last Year – Would restore funding that the Governor eliminated last July using his line item veto, including \$80 million for Child Welfare Services, \$6.4 million for “core” aging nutrition and support programs, and \$20.4 million for domestic violence shelters.

- CalWORKS – Would reject the Governor’s proposal to eliminate this program and instead would provide \$1.8 billion from the “Jobs and Economic Security Fund” for employment services and childcare portions of the CalWORKS programs – and shift all State general fund costs to federal funds, to save \$1.5 billion.
- Child Care – Rejects Governor’s proposal (under Department of Education – but impacts CalWORKS program) and fully funds this program from the “Jobs and Economic Security Fund”.
- Drug Medi-Cal Program – would reject the Governor’s proposal to eliminate this program/

EDUCATION

- Education - Rejects Governor’s proposal to eliminate \$3 billion from education and fully funds the State budget year minimum funding guarantee at \$54.4 billion.
- Higher Education – Restores funding for the University of California and California State University of about \$610 million. Would cut – but not totally eliminate – the Governor’s proposed fee increases in half (reduces the proposed UC fee increase by 15% and the proposed CSU fee increase by 10%.
- Local Government – proposal would repay \$931 million to cities, counties and special districts owed to local government by the State in previous State mandates or requirements that were not funded. Perez said this money would help local communities would protect thousands of police, fire, and other local public service jobs.

PARKS AND RECREATION

* State Parks – would provide full funding for State parks to avoid closures and maintain funding for rangers and lifeguards for state parks and beaches.

NEXT STEPS

The Assembly Speaker said that his proposal would be part of the normal budget process so the full Legislature and public can review over the next several weeks. It is not certain yet how his proposal would be advanced in that process.

VERY URGENT!!!!

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CDCAN

1225 8th Street Suite 480 - Sacramento, CA 95814

paypal on the CDCAN site is not yet working – will be soon.

MANY, MANY THANKS TO the Pacific Homecare Services, Easter Seals, California Association of Adult Day Health Centers, Valley Mountain Regional Center, Toward Maximum Independence, Inc (TMI), Friends of Children with Special Needs, UCP of Los Angeles, Ventura and Santa Barbara Counties, Southside Arts Center, San Francisco Bay Area Autism Society of America, Hope Services in San Jose, FEAT of Sacramento (Families for Early Autism Treatment), RESCoalition, Sacramento Gray Panthers, Easter Seals of Southern California, Tri-Counties Regional Center, Westside Regional Center, Regional Center of the East Bay, UCP of Orange County, Alta California Regional Center, Life Steps, Parents Helping Parents, Work Training, Foothill Autism Alliance, Arc Contra Costa, Pause4Kids, Manteca CAPS, Training Toward Self Reliance, UCP, California NAELA, Californians for Disability Rights, Inc (CDR) including CDR chapters, CHANCE Inc, , Strategies To Empower People (STEP), Harbor Regional Center, Asian American parents groups, Resources for Independent Living and many other Independent Living Centers, several regional centers, People First chapters, IHSS workers, other self advocacy and family support groups, developmental center families, adoption assistance program families and children, and others across California.