

# Issue Brief | Santa Clara County Children's Agenda

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## The Governor's Budget – Is it Good For Santa Clara County Children?

**Overview:** *In order to address a \$15.2 billion budget deficit, the Governor has proposed a budget focused on cuts to many safety net services that help children and families including cuts to Medi-Cal, child welfare services, foster care, CalWORKS, child care and education. In June, the Santa Clara County Board of Supervisors approved the Fiscal Year 2008-09 budget that addressed a \$172.4 million county budget deficit. In October, the Board of Supervisors will reopen budget discussions in order to address a potential shortfall of \$74.7 million dollars created by the State spending cuts. Kids in Common is encouraging our legislators to reject a "cuts only budget" and find a middle ground that is good for Santa Clara County's children and families.*

California is facing a \$15.2 billion projected budget deficit for Fiscal Year 2008-09. While a portion of this deficit is a "structural deficit" that has plagued the state for the past seven years, approximately half of the deficit is due to reduced revenues as a result of a sharp economic downturn in the state. The Governor released a budget in January that proposed 10% across the board reductions in spending, including cuts to education. In May, the Governor released a revised budget that partially restores education funding to Proposition 98 levels and focuses most of its budget "solutions" on cutting health and human services programs to California's vulnerable children and families.

In June, the Santa Clara County Board of Supervisors approved the Fiscal Year 2008-09 budget addressing a \$172.4 million deficit including millions of dollars in cuts to Social Services, the Department of Mental Health, and Child Support Services. This year's budget forced the Board of Supervisors to make many difficult decisions such as the elimination of School Linked Services, a county-wide program that delivers safety net services to children and families in Santa Clara County schools. Even so, the County will need to hold additional budget hearings in October 2008 in order to make further cuts as a result of budget cuts that will be taking place at the state level. The Governor's revised budget, if passed, represents **an additional \$74.7 million shortfall** for Santa Clara County (County memo titled "*May Revision to the Governor's Recommended FY 2008-09 Budget*" sent to Board of Supervisors and Pete Kutras from Sylvia Gallegos and Leslie Crowell dated 5/15/08.)

Some of the cuts in the Governor's budget that will hurt Santa Clara County children are:

- An 11.4% reduction (approximately \$9 million) to Santa Clara County's allocation for Child Welfare Services with no corresponding reductions in County responsibilities or requirements. This will result in an accompanying loss of federal funds, compounding the negative impact of the reduction. This cut will mean there will be fewer social workers to investigate allegations of abuse and neglect. Statewide, it is estimated that more than 16,000 allegations of abuse will not be investigated as a result of this cut.
- Cuts to foster care rates for foster care homes, relative caregivers, foster family agencies and adoptive families of children with special needs. This system has been woefully underfunded for years, with the purchasing power of foster care rates declining over 30% since 1991. Because more aggressive efforts have been made to create permanent connections for children in care, the children who remain in foster care are those with the greatest challenges and most complex needs. These low rates will make it more difficult to find qualified people willing to become and continue as caregivers.
- A 4% cut (\$1.5 million) to Food Stamps program administration which will result in fewer eligible families receiving this support. Food Stamps, paid for with Federal dollars, not only provides much needed support to prevent food insecurity for families, but also stimulates the local economy by freeing up dollars that recipients are able spend on other purchases, including taxable goods.
- More than \$1.5 million will be cut from the Juvenile Probation Camps Program and the Juvenile Justice Prevention Act.
- More than \$2.5 million to support Mental Health Services for families and children and \$800,000 for Alcohol and Drug Services will be cut.
- Policy changes to CalWORKS that will drop 5,250 of Santa Clara County's poorest children from this safety net program.
- Cuts to early childhood education and child care that will result in fewer children having access to subsidized child care.

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## Cuts to Health Services for Children and Families:

Many of the Governor's proposals threaten children's access to health care. Of special concern is the proposal to require children to re-enroll in Medi-Cal every six months. *The 100% Campaign* estimates that this will result in thousands of low-income Santa Clara County children losing Medi-Cal coverage. Most of these children will not lose coverage because they are no longer eligible for Medi-Cal, but because of the cumbersome paperwork requirements or because of administrative errors made in validating the paperwork. Additionally, the 100% Campaign estimates that 2,220 Santa Clara County children enrolled in Healthy Families will lose coverage due to premium increases and 105,831 children are at risk of losing access to medical services due to cuts to Medi-Cal funded services such as dental and optometry and proposed 10% provider rate cuts. California already reimburses physicians at one of the lowest rates in the nation. This 10% provider cut will discourage health practitioners from providing care to Medi-Cal patients. ([www.100percentcampaign.org](http://www.100percentcampaign.org))

## Making Choices that are Good for Santa Clara County Children:

These proposed state budget cuts are not good for Santa Clara County children. Since 2003, Santa Clara County has made \$429.6 million dollars in department reductions or other solutions to address an ongoing budget deficit that is expected to continue through FY 2011. The Governor's proposed cuts to address California's budget crisis will seriously impact the County's ability to support our children and families. While tough decisions will have to be made, it is important to maintain the basic safety net for our most vulnerable community members. If we don't pay now, we will pay later. The Governor's proposed budget will make for an even more difficult **and** costly future. For example:

- Families without Medi-Cal are more likely to visit high-cost emergency rooms instead of getting care in the early stages of an illness.
- Youth who fall through the safety net and do not receive supports to help them deal with family or mental health problems are more likely to enter the juvenile justice system at great cost to taxpayers.
- Women without early prenatal care are more likely to have low birth weight or pre-term babies.

At Kids in Common, we believe that if our decision-makers ask "Is it good for our children?" they will make budget decisions that will not only be good for our children, but good for our county and our state. A "cuts-only budget" is not acceptable and will have consequences that will carry far into the future. It is our elected officials' responsibility to find the middle ground that protects children and families.

***We are continually faced with a series of great opportunities brilliantly disguised as insolvable problems.***

*-John Gardner*

*Founder of Common Cause*

**Kids in Common advocates for policies, partnerships and investments that improve children's lives in Santa Clara County.** Children need a strong public voice – a voice that promotes and protects their best interests. Kids in Common is that voice and challenges leaders and decision-makers in our community to act on behalf of children. The cornerstone of Kids in Common's work is the Santa Clara County Children's Agenda. The Children's Agenda is an integrated initiative that engages all segments of our community and provides a common vision for our community's children by focusing on improving ten indicators of child well-being. It forces us, as a community to move from data to action and to be accountable for how our children are faring.

As the only organization that focuses on systemic change to improve children's lives in Santa Clara County, we convene agencies that care about children's well-being. We advocate for effective investment and policies for children and support the mobilization of public and private resources to address children's needs. We inform decision makers on best practices and champion local implementation. Kids in Common is steadfast in speaking and acting on behalf of children and brings a uniquely qualified perspective that is grounded in research and data. Our work is driven by the question, "Is it good for our children?"

[www.kidsincommon.org](http://www.kidsincommon.org)



**For information on actions you can take to address the California budget crisis go to:**

[www.kidsincommon.org](http://www.kidsincommon.org)