



CALIFORNIA BUDGET PROJECT

Stretched Thin 2008:

State Budget Cuts Undermine California's Human Services Programs

1107 9th Street,
Suite 310
Sacramento,
California 95814
(916) 444-0500
www.cbp.org
cbp@cbp.org

A PRESENTATION BY
SCOTT GRAVES, SENIOR POLICY ANALYST
March 2009

Overview

- *Stretched Thin 2008* is based on a survey of 13 counties:
 - Alameda, Butte, Contra Costa, Fresno, Los Angeles, Orange, Riverside, Sacramento, San Bernardino, Santa Clara, Santa Cruz, Sonoma, and Tehama.
 - These 13 counties have two-thirds of the state's population and more than half of the caseload in each program included in the survey.
- The survey focused on eight programs:
 - Adoptions, Adult Protective Services, CalWORKs, Child Welfare Services, Food Stamps, Foster Care, In-Home Supportive Services, and Medi-Cal.

Key Finding #1

- State policymakers have made a series of low-profile cuts that have created a funding squeeze on county-run human services programs that assist children, families, and seniors.
 - For example, the state last provided funding to cover counties' rising operating costs for most human services programs in 2000-01.
 - This funding shortfall exceeds \$900 million in 2008-09 when forgone federal funds are taken into account, and will approach – if not exceed – \$1 billion in 2009-10.
 - Inflation affects counties in the same way that it affects families – by eroding the purchasing power of their incomes.
 - Therefore, counties are being asked to do more with less.

Still Stretched Thin: Counties Failed To Receive Nearly \$1 Billion in 2008-09
 To Cover the Rising Cost of Operating Health and Human Services Programs
 Dollars in Millions

	State Funds	Total State and Federal Funds
Adoptions Program	\$16.8	\$22.1
Adult Protective Services Program	\$16.5	\$20.9
CalWORKs Program*	\$250.6	\$250.6
Child Welfare Services Program	\$206.9	\$486.4
Food Stamp Program	\$19.5	\$49.0
Foster Care Program	\$8.2	\$12.5
In-Home Supportive Services Program	\$24.8	\$59.6
Medi-Cal Program**	\$32.3	\$64.6
TOTAL	\$575.6	\$965.7

* State and federal funds are used interchangeably in the CalWORKs Program.

** Prior to 2008-09, the state had provided funding for counties' Medi-Cal operating-cost increases every year since 2003-04.
 Note: Except for the Medi-Cal Program, figures reflect amounts that counties would have received in 2008-09 if the state had consistently provided funding for counties' operating-cost increases every year since 2000-01.
 Source: County Welfare Directors Association of California and Department of Health Care Services

Counties Lack Sufficient Staff To Meet Workload Demands in Human Services Programs

Program	Average Percentage Increase in Staff Needed To Meet Workload Demands in 2007-08*	Number of Counties Reporting
Adoptions**	54.9%	6
Adult Protective Services	34.7%	11
CalWORKs	12.9%	10
Child Welfare Services	43.6%	9
Food Stamp	24.2%	10
Foster Care	35.4%	9
In-Home Supportive Services	13.9%	11

* Reflects weighted average of counties that responded for each program.

** Ten of the 13 surveyed counties operate the Adoptions Program.

Key Finding #2

- Despite counties' efforts to tighten their belts, the funding squeeze has undermined county-operated human services programs.
 - Counties' ability to effectively provide services has diminished.
 - Counties are missing opportunities to provide preventive services and case management.
 - Counties have difficulty meeting federal and state program requirements.
 - Counties are unable to maintain adequate community outreach and education efforts.
 - Counties commonly experience adverse impacts on other programs and services as costs have been shifted.

Key Finding #3

- Adequate state funding makes a positive difference in counties' ability to effectively deliver services and meet performance goals.
 - Surveyed counties generally reported positive results for Medi-Cal – the only program for which the state provided funding to support counties' actual operating costs between 2003-04 and 2007-08.
 - This finding suggests that the state's investment in Medi-Cal has paid off.
 - However, the 2008-09 and 2009-10 budget agreements did not provide funding to cover counties' actual operating costs for Medi-Cal.

Conclusion

- Asking counties to do more with less – a budget-balancing strategy that the state has used for a number of years – has undermined human services programs that help some of the state’s most vulnerable residents, including children at risk of abuse or neglect and frail seniors who want to live safely in their own homes.