

# Western Center Reaction To Governor Newsom's Proposed 2020-2021 Budget

January 10, 2020

First and foremost, Western Center is pleased that Governor Newsom's proposed budget includes **significant and innovative proposals to address the homelessness crisis in California**, which will not only help the thousands of people currently experiencing homelessness, but will also prevent more people from losing their housing. We are also pleased to see the Governor take another major step toward providing health care for all by expanding Medi-Cal coverage to undocumented adults over age 65, and to see the extension of the tax ban on period products and diapers, which makes our tax code more equitable for women, girls and young families.

**We were hoping to see additional investments for CalWORKs and SSI grants** in this proposal, since they are both crucial for lifting Californians out of poverty. We will continue to advocate for those increases in the final budget agreement.

Below are our initial reactions to the proposed budget by issue area. **We will release an in-depth analysis next week.**

## Housing

The proposed budget appropriately treats the state's homelessness crisis as an emergency. The proposal devotes additional resources to help people at risk of homelessness remain stably housed and to increase both temporary shelter capacity and permanent housing options for people already experiencing homelessness. We are pleased to see the Governor's sustained commitment to addressing homelessness and look forward to working in partnership with his administration and legislative leaders to further develop effective, sustainable solutions to the crisis that prioritize residents living in poverty.

We agree with the Governor that the state must ramp up efforts to address the state's shortage of housing, which is primarily a shortage at lower income levels. We are eager to work with the Governor to ensure that policies and programs to speed housing production prioritize the creation of units for households with the lowest incomes who are priced out of the rental market in every county in the state, protect low-income communities and communities of color from displacement, and increase access to high opportunity areas for our clients.

## Financial Security

The budget includes funding to increase the **CalWORKs child support pass through** ([read about it here](https://wclp.org/wp-content/uploads/2019/05/NEW-REPORT-The-Payback-Problem-Child-Support-Payments-Public-Assistance.pdf) - <https://wclp.org/wp-content/uploads/2019/05/NEW-REPORT-The-Payback-Problem-Child-Support-Payments-Public-Assistance.pdf>). Currently, the first \$50 of child support paid by a non-custodial parent goes to the CalWORKs family, but any amount over that is kept by state and federal governments. In the Governor's newly proposed budget, CalWORKs families with one child will keep the first \$100 of child support, and families with two or more children will keep the first \$200 of child support, beginning January

2022. It also includes funding to provide debt relief for child support owed to the government that is deemed uncollectable. We are grateful that the Governor has heard from parents and families in their call for a child support program that works for children, and we are eager to see proposed associated trailer bill law changes for details. We look forward to working with the Governor and legislature to achieve the goals of conforming with federal law and regulation, and ensuring the program works to benefit the children it purports to help.

The budget also includes the **extension of the tax ban on period products and diapers**, which will make our tax code more equitable, since taxes on period products and diapers are regressive to poor families and young people. We look forward to continuing work in the legislature to end unmet diaper need and period poverty in California.

Additionally, the budget makes a \$92 million investment in **reducing criminal justice fees** and their harmful, recidivistic impact on people with low-incomes and people of color, their families, and their communities. We are grateful to Budget Chair Mitchell for her leadership on this issue and look forward to working on details with her, the Governor, and other budget leaders. We're also happy to see that Californians with low incomes will soon be able to reduce the cost of their traffic fines and the overall impact of expensive traffic tickets, with this budget proposing to expand the traffic court ability-to-pay pilot program (currently operational in four counties) statewide over several years. The pilot has yet to be evaluated, so we look forward to details from the Judicial Council to see if the program's reductions in fines and fees are adequate or need to be reduced further.

Finally, to further enhance financial security for Californians, the Governor's budget creates a new **state version of the Consumer Financial Protection Bureau (CFPB)**. The proposed financial watchdog will hold banks and other financial firms accountable when they engage in unfair and abusive debt collection and banking practices. Medical, student loan, school lunch, and other forms of debt disproportionately burden people experiencing poverty; we expect this new agency to offer important protections for our clients.

## **Health Care**

We applaud the Governor for continuing to move toward universal coverage by making California the first in the nation to expand **full-scope Medi-Cal to all income-eligible seniors regardless of immigration status**, taking a whole person approach to Medi-Cal, and cost containment with an eye toward quality and equity. We look forward to working with the administration and legislature to advance a budget that ensures equitable access to affordable, comprehensive, quality health care for poor Californians.

The Governor's proposal also delays suspension of benefits and eligibility, **by extending certain Medi-Cal benefits (optical, audiology, podiatry, speech therapy, and incontinence creams and washes), extending Medi-Cal eligibility from 60 days to one year for post-partum women diagnosed with a mental health disorder, and expanding Medi-Cal screening for the overuse of opioids and illicit drugs, all until July 2023.**