

## **BUDGET CUTS WILL HURT SAN FRANCISCO'S CHILDREN AND YOUTH**

Thousands of San Francisco families will suffer as a result of budget cuts at all levels of government. The city's most needy families will be hit particularly hard with multiple cuts in services. A single family could experience increased co-payments for health care, the elimination of a child care subsidy, reductions in school-based services, and the loss of respite care for a disabled child – all at once. The federal budget *alone* cuts funding for nearly all domestic programs by \$120 billion, including nutrition, housing assistance, and juvenile justice. It also threatens to increase the number of uninsured children with a potential cut of \$2.2 billion to Medicaid. It includes no additional child care funding when the need is growing, and it under funds education. Families will be forced to make wrenching choices. Some parents will stop working, so that they become poor enough to qualify for help. More families will teeter on the brink of homelessness; some will become homeless. And more families will leave the city. Local services and schools will find themselves unable to meet increased demand. Most local children's agencies are facing great uncertainty about their ability to sustain existing services, much less expand to meet growing need, since they are experiencing cuts from public and private sources, and uncertainty about continued support from the tremendously over-subscribed Children's Fund.

The following are some of the proposed state and local budget cuts that will have a profound impact on families:

### **Health**

- The Governor has proposed that enrollment for Healthy Families, the state health insurance program for low-income children, be restricted. Several thousand children are expected to turn to the local health insurance program, Healthy Kids, at an estimated increased cost of \$2 million.
- Children with disabilities will be particularly hard hit by state cuts that are estimated at \$15 million for San Francisco alone. Over 3000 children rely on state-funded programs for respite care, child care, in home support services, and a wide variety of therapies. Large co-payments, reductions in provider payments, caps on enrollment and curtailed eligibility will reduce help to almost all of these families. Operation Access, a program for severely disabled children, is being eliminated.
- San Francisco's many immigrant families will be targeted for reduced services, including restricted access to Medi-Cal, Food Stamps, loss of special support programs, and many enrollment caps.
- The state is reducing the number of children who are eligible for mental health care, and the city's entire "system of care," which provides outpatient support to children with serious mental health problems, may be eliminated.
- Local budget cuts at the Department of Public Health will negatively impact the entire city, particularly mental health services, and neighborhood-based support services for low-income and non-English speaking families.

### **Education**

- The Governor has proposed flat funding for schools, but that means budget cuts since costs have increased. Schools will be forced to make hard choices so that they can absorb the \$5 million in increased personnel health costs. This will mean fewer supplies, fewer support services in the schools, and a decimated central office which will be even more hard-pressed to respond quickly to the needs of parents, students and teachers.
- San Francisco's Public Education Fund, created by Proposition H, will not go into effect for another year, and then only at a very low level.

### Child Care

- The city's fragile and poorly funded child care system will struggle to survive under multiple policy changes and state budget cuts totaling more than \$15 million. Subsidies for children over age 10 are being eliminated, affecting hundreds of San Francisco kids, coupled with a potentially crippling cut to dozens of community-based programs funded by federal TANF dollars. More than 1300 children in nearly 700 newly employed families could lose subsidies, possibly quitting their jobs to return to welfare, affecting the City's health care, retail, and banking industries. Hundreds of additional families will have to pay higher fees. More than 400 centers and family child care homes in every city neighborhood will be affected by significant reimbursement rate cuts averaging \$800 - \$1000 per child.

### Income Support

- The Governor proposes to continue to shave away at the meager family support allowance, known as CalWORKS, for families with no other means of support. At least 5000 San Francisco families will be affected by the \$60 a month reduction in an average \$700 grant. Increased work requirements (without additional childcare) and the elimination of vocational support and higher education will create additional pressure on these struggling families.
- Proposed cuts of nearly \$2 billion to the federal Section 8 Housing program could mean almost 900 San Francisco families may lose rent subsidies this year, more than 2000 families over the next 5 years, or staggering rent increases of *more than \$5,000 a year by 2009* – the highest projected increase in the country. The Department of Human Services proposed a drastic cut to its innovative CalWORKs housing subsidy program, which means less support for nearly 100 low-income working families.
- \$3.5 billion in tax cuts, enacted in 2003, are skewed toward the wealthy and place greater economic pressure on low-income and working class families, as we see a dramatic increase in children of color living in extreme poverty.

### Youth Development & Juvenile Justice

- After-school and summer programs will be reduced through reallocations in the Children's Fund and cuts at the SF USD, at the same time that federal funding and private foundation support has been eroding. Federally funded learning support services, such as Upward Bound and 21<sup>st</sup> Century, are threatened with deep cuts.
- The ability of the juvenile justice system to provide preventive and rehabilitative services for young people will be severely curtailed by the \$3.2 million cut from the state that now funds 24 community based organizations, including Huckleberry Youth Programs, neighborhood centers, Center for Young Women's Development, and the Center for Criminal and Juvenile Justice.
- The city's recreation system is threatened with deep cuts, compromising its ability to provide latchkey programs and other neighborhood-based services for working families, teens, and school-age children.

**The Children's Fund will turn down  
*over 100 agencies and over \$40 million*  
in requests to serve children.**