Homelessness spending gets boost in budget deal reached by governor, legislative leaders

By LIAM DILLON and JOHN MYERS JUN 08, 2018 | 6:00 PM LOS ANGELES | SACRAMENTO



Gov. Jerry Brown listens to questions about his revised 2018-19 state budget at a Capitol news conference May 11. (Rich Pedroncelli / Associated Press)

Homelessness prevention efforts around the state will receive more than \$600 million in new funding under a state budget deal announced Friday between Gov. Jerry Brown and top lawmakers.

The money is one of the highest-profile efforts to increase spending in a year in which a strong economy has left the state flush with cash. Brown on Friday celebrated the plan and the financial turnaround from when he took office seven years ago.

"After detailed discussions, California is on the verge of having another ontime, balanced budget," Brown said in a statement. "From a \$27 billion deficit in 2011, the state now enjoys a healthy surplus and a solid rainy day fund."

The budget deal increases state spending for other priorities from Democratic lawmakers over what Brown had proposed in his May revision to the budget, including higher education and anti-poverty programs. The University of California system will see more than \$100 million in new funding, primarily for general operating needs. California State University campuses can increase enrollment by 3,000 students as part of the more than \$200 million in one-time and ongoing revenues it received. An eligible family of three will receive an additional \$71 a month through a new initiative to boost CalWORKS, the state's welfare assistance program.

The homelessness agreement is \$250 million higher than what Brown had proposed in May. Large cities and counties will receive \$500 million for their homelessness prevention efforts, including funding emergency shelters. Roughly \$100 million in additional spending is targeted for existing state health, emergency and social service programs designed to help homeless victims of domestic violence, the mentally ill and poor senior citizens. Legislators and local officials had pushed Brown to increase spending on homelessness as dollars previously approved by legislators have been slow to reach the streets and the number of homeless people across the state has swelled to 130,000.

Los Angeles Mayor Eric Garcetti cheered the new funding in an interview Friday.

"This is exactly what we need, exactly at the right time," Garcetti said. "I'm very excited to see Governor Brown step up and not just join us in this fight, but really lead in this fight."

The \$500 million for local governments is a third of what <u>Garcetti and mayors</u> from California's 10 other largest cities had originally requested for homelessness programs. Garcetti said the funding makes the case for greater state involvement in housing and encourages Brown's successor, who will take office next year, to continue spending.

"That was our wildest dream," Garcetti said of the initial \$1.5-billion request.

"This is something that helps us move away from the nightmare."

Appearing two days ago in downtown Los Angeles at the annual conference of the Corporation for Supportive Housing, Garcetti told 1100 advocates from California and the rest of the nation more help from Sacramento and the federal government "was essential to meet the present homelessness crisis" in his city and other West Coast communities struggling with large numbers of homeless.

Garcetti went on to reiterate his "complete commitment to our current plan to build thousands of units of permanent affordable housing to end homelessness for many Angelenos," but added, "we need prevention dollars too to address the emergency now."

Although settling the question of funds for programs to help the homeless, the budget agreement sidesteps one of the more contentious issues: whether to offer access to Medi-Cal, the state's healthcare system for the poor, to young adults and seniors who are in the U.S. illegally.

Children without legal status from low-income families are eligible for full healthcare services with Medi-Cal, along with similar programs in five other

states and the District of Columbia. For a portion of the adults in the U.S. illegally, only emergency medical care is offered.

The framework instead will create a commission to broadly study California's healthcare needs. That represents a concession by legislative Democrats, who had wanted general fund tax dollars spent on offering more services to the immigrant population — expanding full services to more young people and to senior citizens without legal status.

The lack of funding to expand access to care drew criticism from healthcare and immigration activists.

"Today's budget deal is devastating for the health of all that call California home," said Cynthia Buiza, the executive director of the California Immigrant Policy Center. "We are specifically disappointed that our low-income immigrant neighbors, friends, colleagues and communities will continue to suffer from exclusion" from Medi-Cal.

Last month, Brown proposed a \$199.2-billion budget for the fiscal year that begins July 1, and Friday's agreement adds about an additional \$1 billion.

The agreement calls for fully funding the state's "rainy day" reserve at almost \$14 billion, the largest in state history. Under the provisions of a 2014 ballot measure approved by voters, the fund can grow to no more than 10% of projected general fund revenues. After that, any revenue required to be set aside must be used for infrastructure or debt payments.

Friday's announcement comes one week before the Legislature's constitutional deadline to send Brown a budget. That deadline was routinely missed in the past but has been honored since voters enacted Proposition 25 in 2010 — a law that allows budgets to be passed with a majority vote in each house and docks the pay of legislators for missing the June 15 deadline.

Lawmakers serving on a two-house conference committee were slated to review the fine points of the spending plan late Friday, in anticipation of formal votes in the Assembly and Senate next week.

Times staff writers Melanie Mason and Emily Alpert Reyes contributed to this story.

6:00 p.m.: This article was updated with additional details.

12:10 p.m.: This article was updated with comments from L.A. Mayor Eric Garcetti.

This article was originally published at 11:25 a.m. Politics Newsletter Weekly Analysis and breaking news from our award-winning journalists in Sacramento and Washington, D.C. Liam Dillon CONTACT

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