

Reducing poverty a budget priority for California Democrats

By JUDY LIN Associated Press Writer

Reducing poverty has emerged as the key theme in California after state lawmakers moved closer to raising the minimum wage, expanding health care to immigrants and allowing child-care providers to unionize.

Among the bills that progressed out of their house of origin are proposals to offer subsidies for child care, offer tax credits to low-income Californians, expand welfare benefits and build affordable housing.

FILE - In this March 29, 2013 file photo, Antonio Garcia, 54, left, who introduced himself as a mathematician, peeks through the opening of his makeshift shelter made of cardboard boxes in the Skid Row area of Los Angeles. Reducing poverty has emerged as the key theme in California after state lawmakers moved closer to raising the minimum wage, expanding health care to immigrants and allowing child care providers to unionize. | Jae C. Hong, File AP Photo



Health and welfare advocates also rallied throughout the week at the Capitol for other increases in social spending as the state economy rebounds from the recession.

"We sucked it up when we had to, and it's time to give it back," Dr. Luther Cobb, president of the California Medical Association, said Tuesday at a rally urging lawmakers to restore higher payment rates to doctors and providers in Medi-Cal, the state's health insurance program for the poor.

Democrats who control both houses of the Legislature have made it their priority this year to improve working conditions for poor and minority Californians. But getting Gov. Jerry Brown to endorse higher spending as part of the state budget will be tricky because the Democratic governor wants to avoid increases that he says could lead to another fiscal calamity.

The sticking points include whether the state will boost child-care subsidies, increase funding for higher education and phase out a new college scholarship program. The governor and legislative leaders announced Friday that they would not resolve how to spend a growing pot of money collected from the state's landmark effort to curb greenhouse gas emissions in the budget.

Democratic leaders are expected to finalize the 2015-16 spending plan next week and pass it by the June 15 budget deadline. Brown then has the opportunity to exercise his veto authority.

Brown proposed a record \$115 billion budget last month largely devoid of new programs. By law, most of the surplus must go to public schools and filling California's rainy day account, leaving much less discretionary spending than lawmakers would like.

He heeded fellow Democrats' call to fight poverty by proposing a targeted \$380 million earned income tax credit that his administration said would help as many as 2 million Californians, but he has refused to back other spending.

Lawmakers took the first steps this week to implement Brown's earned income tax credit for the working poor. The Senate approved SB38 by Sen. Carol Liu, D-La Canada Flintridge, and the Assembly passed AB43 by Assemblyman Mark Stone, D-Scotts Valley.

The tax credit would go to households with income less than \$6,580 with no dependents or up to \$13,870 for those

with three or more dependents.

Democrats are hoping to pair the credit with a higher minimum wage to bring workers to the federal poverty level. But that comes over the objection of business groups that say it would lead employers to hire fewer workers and hurt industries such as tourism that rely on minimum-wage employees.

The Senate approved SB3 to raise the state's minimum wage to \$13 an hour in 2017, then tying it to the rate of inflation after that. The proposal came two years after Brown signed legislation giving California one of the highest minimum wage rates in the nation.

It is currently \$9 an hour and will rise to \$10 an hour in 2016.

Lawmakers also approved legislation that would make the state the first in the nation to extend health coverage to children who are in the country illegally and seek federal authorization to sell private insurance to immigrants without documentation. The legislation would make Medi-Cal coverage available to between 195,000 and 240,000 children under 19 from low-income families, regardless of their legal status.

If SB4 passes the Assembly and is signed by Brown, limited enrollment for low-income immigrant adults 19 and older into Medi-Cal would be allowed depending on how much funding is included in next year's budget.

Tens of thousands of child-care providers would be allowed to unionize under SB548 that passed the Senate.

"It's not only about creating jobs," said bill author Senate President Pro Tem Kevin de Leon, D-Los Angeles. "We also need to support working families so they can be able to take those jobs. Without reliable child care, they can't leave to go to work."

The Legislature also pushed forward a bill that would grant welfare to parents who have more children while receiving such benefits and a bill that would add a \$75 fee to some real estate transactions to pay for affordable housing projects.

Not all measures intended to protect the working poor passed, however. Proposals to provide low-wage workers more consistent schedules and offer extra pay for working on Thanksgiving failed Thursday.