



REC'D JAN 27 2005

**BOARD OF SUPERVISORS  
COUNTY OF SANTA CLARA**  
COUNTY GOVERNMENT CENTER, EAST WING  
70 WEST HEDDING STREET, SAN JOSE, CALIFORNIA 95110 / (408) 299-5010  
FAX LINE (408) 295-6993

**DONALD F. GAGE**  
SUPERVISOR FIRST DISTRICT



January 27, 2005

Tom Campbell, Director  
Department of Finance  
State of California  
915 L Street  
Sacramento, California 95814

Dear Mr. Campbell: *Tom*

I am writing to follow-up on our conversation last week at the Silicon Valley Business Community meeting in San Jose. At that meeting, I raised two issues regarding Governor Schwarzenegger's proposed FY 2006 budget - the In-Home Supportive Services (IHSS) program, and the proposed reductions in benefit levels in the CalWORKs program.

**In-Home Supportive Services**

The IHSS program fulfills an urgent need for low-income disabled and frail elderly people in our state. Not only is it cost-effective, at an average yearly cost of \$8,200 (based on 2003/2004 information), less than one-quarter the cost of skilled nursing care, but also it provides our citizens the essential alternative of remaining, with dignity, in their own homes. Last year the Governor was successful in getting the Federal government to significantly increase its support for the program, and we were hopeful that the risk to this essential program had been averted. However, the proposal to reduce State participation in provider wages to the minimum wage will have the very real effect in high-cost communities like Santa Clara County of leaving people who need and are eligible for IHSS services unable to obtain service providers. As the administration revisits its budget priorities over the next few months, I hope it will be possible to reconsider this proposal.

**CalWorks**

The grant levels in the CalWORKs program (formerly AFDC) are far from excessive. It is a sad fact that for a mother with two children, the maximum monthly grant has only risen from \$694 in 1989/1990 to \$723 in 2004/2005 - a \$29 increase over fifteen years. Compared to the California Necessities Index over the same period, this represents a 32.37% reduction in purchasing power. I do hope that the proposal to reduce the grant level by 6.5% will be reconsidered.



Thank you for the opportunity to provide you with some background material on these issues. Please feel free to contact me at (408) 299-5010, should the need arise.

Sincerely,

Donald F. Gage,  
Board of Supervisors, District One

c: Board of Supervisors  
Pete Kutras, County Executive  
Jane Decker, Deputy County Executive  
Will Lightbourne, Director, Social Services Director

